

PERFORMANCE REPORT

Independent
advice for the
institutional
investor

**Milwaukee County
Deferred
Compensation Plan**

First Quarter 2008

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All rates of return presented in this report for time periods greater than one year are annualized. Mutual fund rates of return are provided by Morningstar. Rates of return for the North Shore Savings Fund and the Stable Value Fund are provided by the investment manager. All rates of return contained in this report are net of investment management fees. Percentages in some exhibits may not add to 100% because of rounding.

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INVESTMENT HIGHLIGHTS

RETURN SUMMARY ENDING 3/31/08

	First Quarter		1 Year Ending 3/31/08		3 Years Ending 3/31/08		5 Years Ending 3/31/08	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank
North Shore Savings Fund	0.5%	--	3.2%	--	3.4%	--	2.6%	--
iMoney Net Money Fund Average	0.8	--	4.3	--	3.6	--	2.4	--
Stable Value Fund	1.2	--	4.9	--	4.7	--	4.5	--
EnnisKnupp GIC Index	1.2	--	4.7	--	4.2	--	4.1	--
PIMCO Total Return Fund Instl	3.3	9	10.8	9	6.4	14	5.4	33
LB Aggregate Bond Index	2.2	28	7.7	31	5.5	32	4.6	59

RETURN SUMMARY ENDING 3/31/08

	First Quarter		1 Year Ending 3/31/08		3 Years Ending 3/31/08		5 Years Ending 3/31/08	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank
TRP PS Income	-3.6%	49	1.6%	38	6.5%	16	9.3%	10
Custom Benchmark	-2.8	31	1.9	35	6.0	23	7.9	32
TRP PS Balanced	-6.1	54	-0.6	40	7.0	19	11.4	14
Custom Benchmark	-5.0	31	-0.4	37	6.7	22	10.1	30
TRP PS Growth	-8.6	60	-3.2	45	7.3	23	13.2	20
Custom Benchmark	-7.1	33	-2.7	41	7.1	25	12.0	33

Benchmark descriptions can be found in the Appendix.

INVESTMENT HIGHLIGHTS

RETURN SUMMARY ENDING 3/31/08

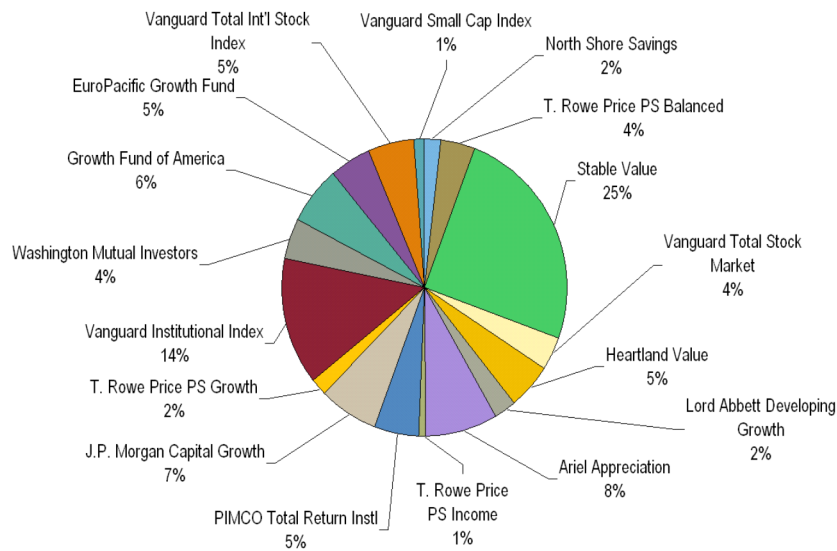
	First Quarter		1 Year Ending 3/31/08		3 Years Ending 3/31/08		5 Years Ending 3/31/08	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Washington Mutual Investors Fund	-8.0%	21	-5.2%	45	5.9%	50	11.2%	67
Russell 1000 Value Index	-8.7	28	-10.0	75	6.0	48	13.7	38
Vanguard Institutional Index Fund	-9.4	38	-5.1	44	5.8	50	11.3	65
S&P 500 Index	-9.4	38	-5.1	43	5.9	50	11.3	65
Growth Fund of America	-7.8	20	1.1	15	10.0	12	14.9	25
Russell 1000 Growth Index	-10.2	53	-0.8	23	6.3	43	10.0	83
Vanguard Total Stock Market Index Fund	-9.4	38	-5.7	51	6.3	43	12.4	52
Performance Benchmark	-9.5	40	-5.7	51	6.3	42	12.4	51
J.P. Morgan Capital Growth Fund	-14.1	89	-2.6	31	7.1	33	14.6	28
Performance Benchmark	-10.9	62	-4.6	40	7.8	25	15.2	23
Ariel Appreciation Fund	-9.2	34	-12.2	84	1.6	93	10.2	80
Russell 2500 Index	-9.4	37	-11.3	81	6.0	48	15.7	19
Vanguard Small Cap Index Fund	-9.1	32	-11.1	81	5.9	48	15.9	17
Small-Cap Index	-9.2	34	-11.3	81	5.9	49	16.2	16
Lord Abbett Developing Growth Fund	-21.8	99	1.5	14	12.4	5	15.4	21
Russell 2000 Growth Index	-12.8	81	-8.9	68	5.7	53	14.2	32
Heartland Value Fund	-9.7	45	-15.3	92	5.5	57	17.1	12
Russell 2000 Value Index	-6.5	11	-16.9	94	4.3	75	15.4	21

RETURN SUMMARY ENDING 3/31/08

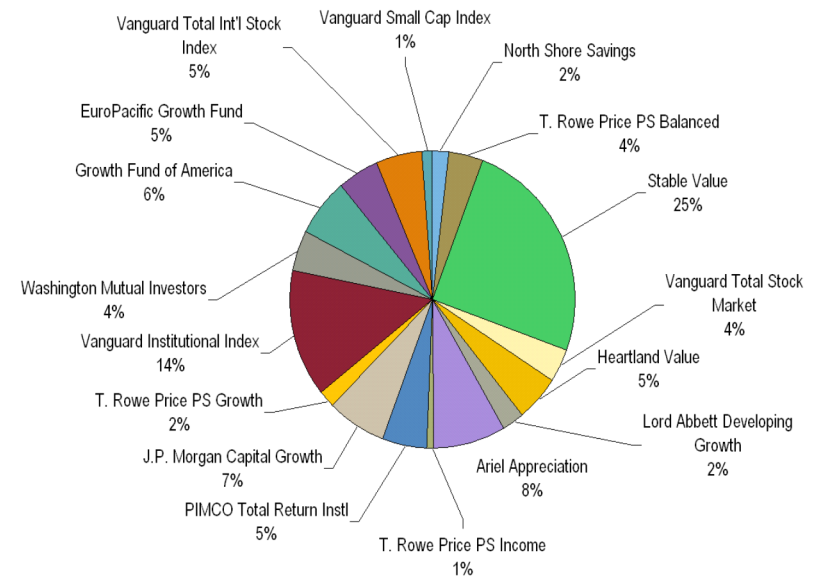
	First Quarter		1 Year Ending 3/31/08		3 Years Ending 3/31/08		5 Years Ending 3/31/08	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank
EuroPacific Growth Fund	-7.9%	23	6.6%	9	17.6%	16	23.6%	21
MSCI All Country World ex-U.S. Index	-9.1	46	2.2	24	16.0	29	23.5	21
Vanguard Total International Stock Index Fund	-8.9	42	1.3	26	15.5	32	23.2	24
MSCI All Country World ex-U.S. Index	-9.1	46	2.2	24	16.0	29	23.5	21

Benchmark descriptions can be found in the Appendix.

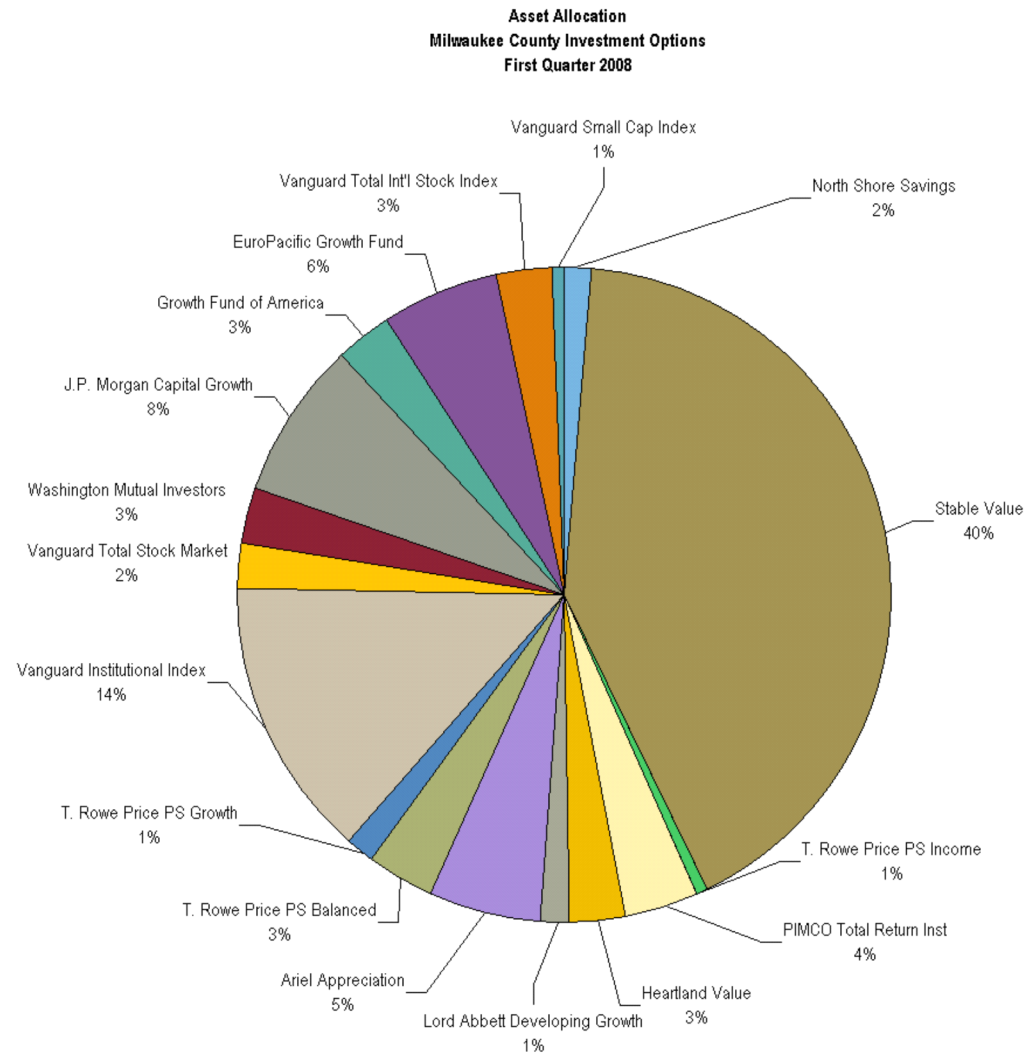
**Contributions by Investment Option
First Quarter 2008**



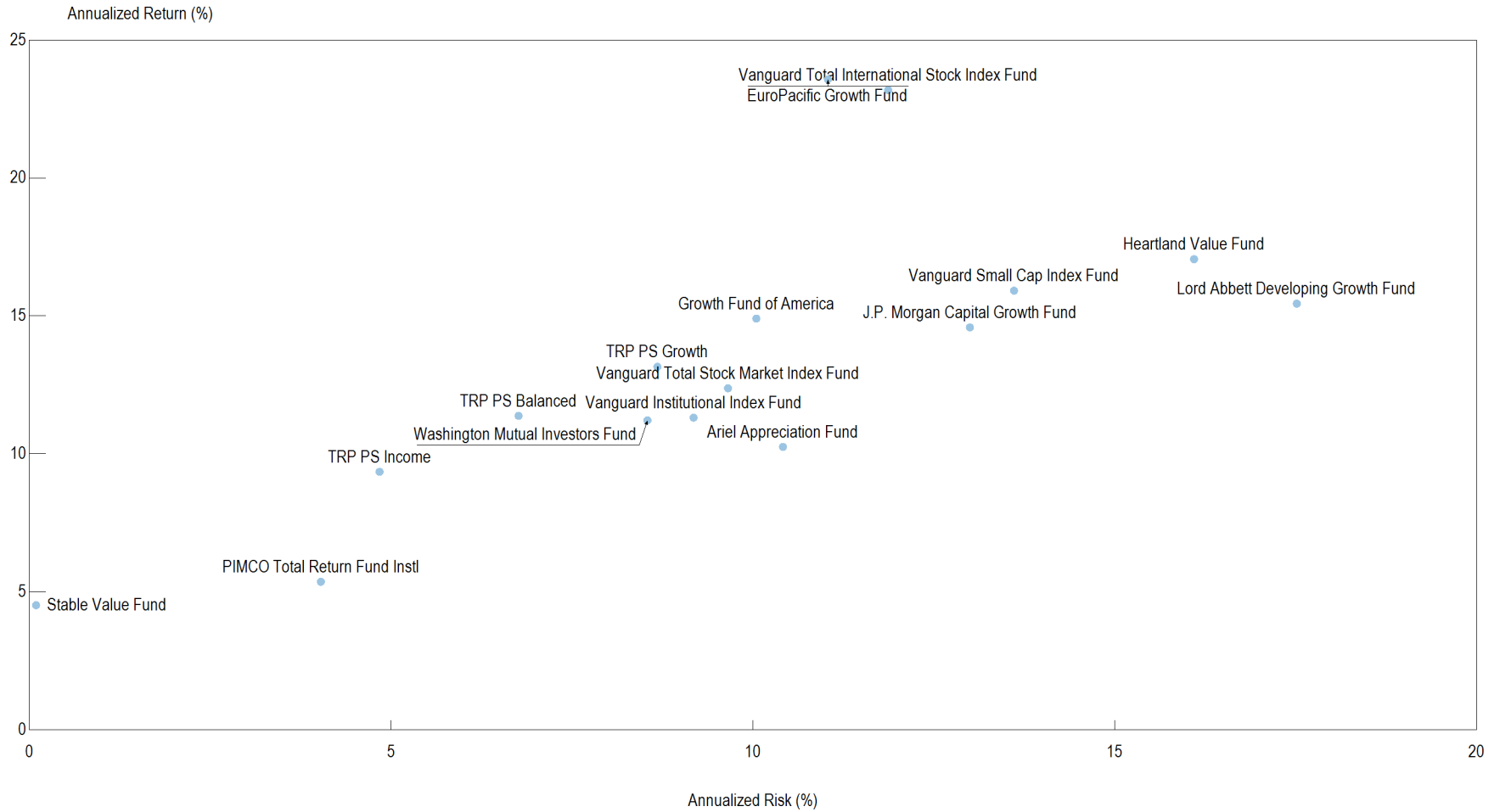
**Contributions by Investment Option
YTD 2008**



INVESTMENT HIGHLIGHTS



**ANNUALIZED RISK RETURN
5 YEARS ENDING 3/31/08**



INVESTMENT HIGHLIGHTS

Change in Market Value

Investment Fund	December 31, 2007	Net Contributions/ Withdrawals	Net Income/ Appreciation*	March 31, 2008
North Shore Savings	\$ 3,084,406	\$ 124,514	\$ 21,270	\$ 3,230,190
Stable Value	85,488,648	2,131,724	1,035,043	88,655,415
T. Rowe Price PS Income	1,292,766	58,240	(46,978)	1,304,028
PIMCO Total Return Inst	7,154,761	314,211	235,974	7,704,946
Heartland Value	6,838,018	(454,819)	(663,064)	5,720,134
Lord Abbett Developing Growth	3,457,449	285,898	(790,448)	2,952,900
Ariel Appreciation	13,047,598	(83,730)	(1,218,381)	11,745,487
T. Rowe Price PS Balanced	7,629,522	(76,523)	(464,962)	7,088,037
T. Rowe Price PS Growth	3,358,787	(47,463)	(288,818)	3,022,507
Vanguard Institutional Index	34,506,336	(1,248,054)	(3,231,458)	30,026,824
Vanguard Total Stock Market	5,358,439	90,065	(514,305)	4,934,200
Washington Mutual Investors	6,432,249	27,651	(516,619)	5,943,281
J.P. Morgan Capital Growth	19,779,408	(306,144)	(2,789,250)	16,684,014
Growth Fund of America	6,183,368	247,719	(487,920)	5,943,167
EuroPacific Growth Fund	13,545,626	(72,125)	(1,085,680)	12,387,820
Vanguard Total Intl Stock Index	6,727,641	(290,583)	(599,254)	5,837,804
Vanguard Small Cap Index	1,787,912	(341,375)	(158,450)	1,288,087
Total	\$ 225,672,933	\$ 359,207	\$ (11,563,300)	\$ 214,468,840

Fees

Fund Name	Plan Balance (\$ thousands)	Expense Ratio	Revenue Sharing Fees	\$ Fee on Expense Ratio	Dollar Revenue Sharing
North Shore Savings	\$ 3,230	0.00%	0.00%	\$ -	\$ -
Stable Value	88,655	0.40%	0.00%	354,622	-
PIMCO Total Return Inst	7,705	0.43%	0.25%	33,131	19,262
TRP PS Income	1,304	0.74%	0.15%	9,650	1,956
TRP PS Balanced	7,088	0.79%	0.15%	55,995	10,632
TRP PS Growth	3,023	0.85%	0.15%	25,691	4,534
Washington Mutual	5,943	0.60%	0.33%	35,660	19,613
Heartland	5,720	1.12%	0.35%	64,066	20,020
Lord Abbett	2,953	1.19%	0.40%	35,140	11,812
Vanguard Total Intl Stock	5,838	0.27%	0.00%	15,762	-
Vanguard Institutional	30,027	0.05%	0.00%	15,013	-
Vanguard Total Stock Market	4,934	0.06%	0.00%	2,961	-
JP Morgan Capital Growth	16,684	1.14%	0.50%	190,198	83,420
Ariel Appreciation	11,745	1.12%	0.45%	131,549	52,855
Growth Fund of America (R5)	5,943	0.35%	0.05%	20,801	2,972
Vanguard Small Cap Index	1,288	0.13%	0.00%	1,675	-
EuroPacific Growth Fund (R5)	12,388	0.53%	0.05%	65,655	6,194
Total	\$ 214,469	0.49%		\$ 1,057,568	\$ 233,269
Total as a Percent				0.49%	0.11%

Investment Management Fee Net of Revenue Sharing	(\$ Fee on Expense Ratio - Dollar Revenue Sharing)	\$ 824,299
<i>Net Investment Management Fee as a Percent of Plan Assets</i>		0.38%

Great West Revenue Sharing Cap**	\$ 125,000 *
<i>Capped Revenue Sharing as a Percent of Plan Assets</i>	0.06%
Revenue Sharing Returned to the County	\$ 108,269
<i>Returned Revenue Sharing as a Percent of Plan Assets</i>	0.05%

*Effective April 2007, the committee approved a fee holiday on the \$20 flat fee and the asset based fee of 0.24% charged to participants. All information in the above table is as reported by Great West.

** Exclusive of 20 bps revenue Great West receives for the Stable Value Fund.

MARKET ENVIRONMENT
First Quarter 2008

MARKET ENVIRONMENT

OVERVIEW

MAJOR MARKET RETURNS

	First Quarter	1 Year Ending 3/31/08	3 Years Ending 3/31/08	5 Years Ending 3/31/08	10 Years Ending 3/31/08
Dow Jones Wilshire 5000 Index	-9.5%	-5.8%	6.4%	12.5%	4.0%
MSCI All-Country World Ex-US Free	-9.1	2.2	16.0	23.5	7.3
MSCI EAFE Free	-8.9	-2.7	13.3	21.4	6.2
MSCI Emerging Markets	-11.0	21.3	29.2	35.5	12.2
MSCI All Country World Index	-9.3	-1.2	11.1	17.2	5.1
Lehman Brothers Aggregate Bond Index	2.2	7.7	5.5	4.6	6.0

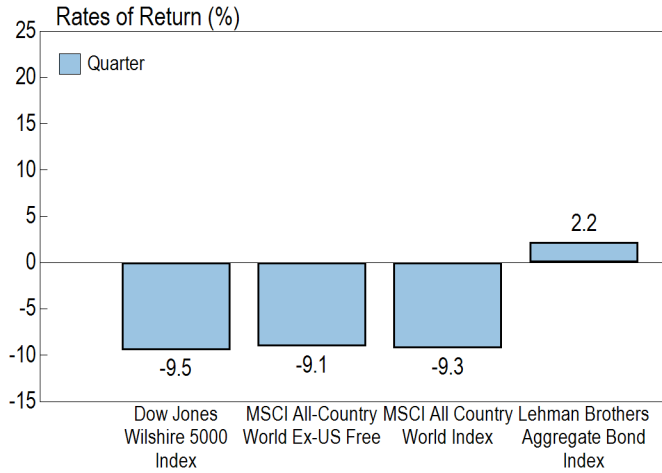
The broad U.S. equity market continued to struggle through volatile times to post a significant loss for the first quarter of 2008. Recessionary fears have surfaced among investors and the market as housing prices, manufacturing output, and discretionary spending declined during the quarter. At the same time, an unprecedented increase in the price of commodities, including oil, agricultural products, and precious metals added stress to the economy. In response to economic woes, the Federal Reserve implemented three reductions in the Federal Funds rate, totaling 200 basis points over the quarter. This aggressive move by the Fed is viewed as an attempt to avert significant deterioration of the financial system and the economy, especially in light of rising unemployment and weakened consumer outlook.

The Dow Jones Wilshire 5000 Index declined 9.5% during the first quarter. Equity market sectors were weak across the board. Transportation was the only sector to post a gain (+3.4%) for the quarter, despite a surge in commodity prices as the dollar weakened. Technology was the worst-performing sector during the quarter, declining 14.0%. Large cap and small cap stocks posted losses for the quarter; however, large cap stocks marginally outperformed their small cap counterparts. Value stocks outperformed growth stocks during the first three months of the year.

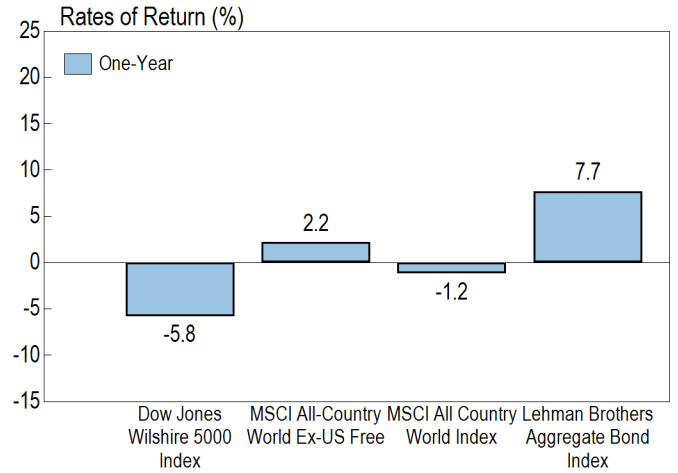
Responding to a loss of confidence in the financial sector, non-U.S. stocks fell in the first quarter as the MSCI All Country World ex-U.S. Index declined 9.1%. Emerging markets struggled during the quarter on fears of a global economic slowdown, as the MSCI Emerging Markets Index declined 11.0%. Within the MSCI All Country World ex-U.S. Index, the Latin America region was the top performer, while the South Africa and Asian regions were the worst performers.

Domestic fixed income markets, as measured by the Lehman Brothers Aggregate Bond Index, posted relatively strong performance for the quarter, boasting a return of 2.2%. The Treasury curve steepened during the quarter reflecting an ongoing flight to quality into the short-end of the curve in light of an aggressive Fed. Credit spreads widened during the quarter as liquidity and credit risk increased, leading investors to shun risky assets in favor of Treasuries. Economic woes and interbank liquidity problems led to an increase in risk premiums, causing the Fed to respond with three reductions in the Federal Funds Rate over the quarter; two reductions in January, on the 22nd (75 bps) and the 30th (50 bps), and one reduction on March 18th (75 bps). In further attempts to inject liquidity into the banking system and stimulate lending, the Fed opened broker-dealer access to the discount window and implemented various Fed liquidity facilities, such as the term auction facility (TAF).

**MAJOR MARKET RETURNS
FIRST QUARTER**

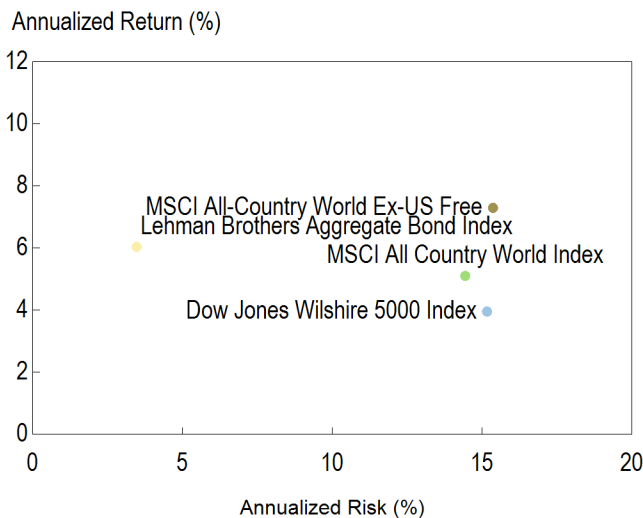


**MAJOR MARKET RETURNS
ONE-YEAR ENDING 3/31/08**

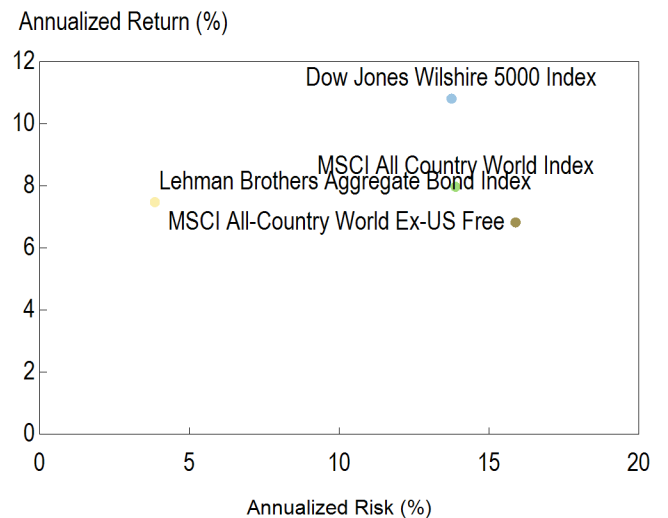


The exhibits above show the performance of the major capital markets during the first quarter and one-year period.

**MARKET RISK/RETURN
10 YEARS ENDING 3/31/08**



**MARKET RISK/RETURN
20 YEARS ENDING 3/31/08**

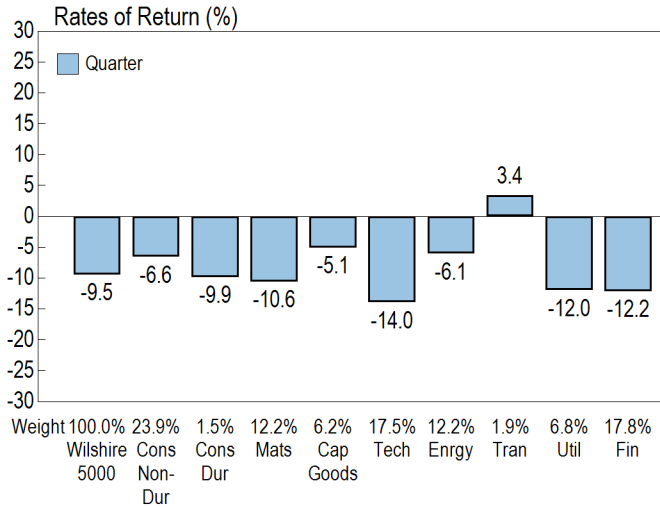


The exhibits above show the historical performance of the major capital markets and the amount of risk (volatility of returns) incurred. Points near the top of the chart represent a greater return and points near the right of the chart indicate greater volatility.

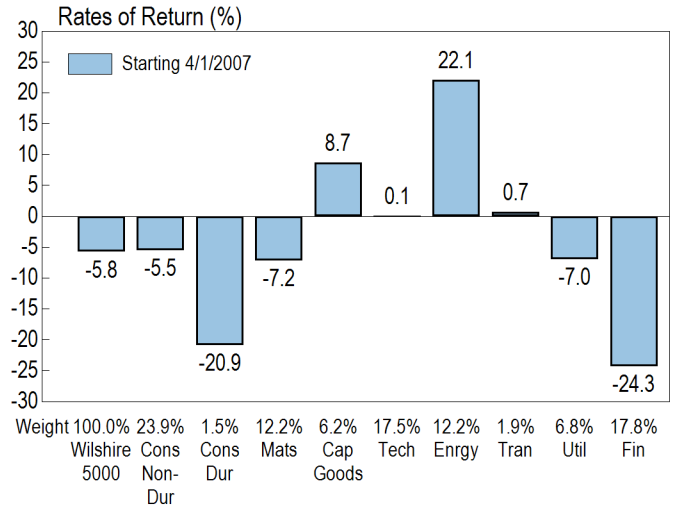
MARKET ENVIRONMENT

U.S. STOCK MARKET

**SECTOR RETURNS
FIRST QUARTER**



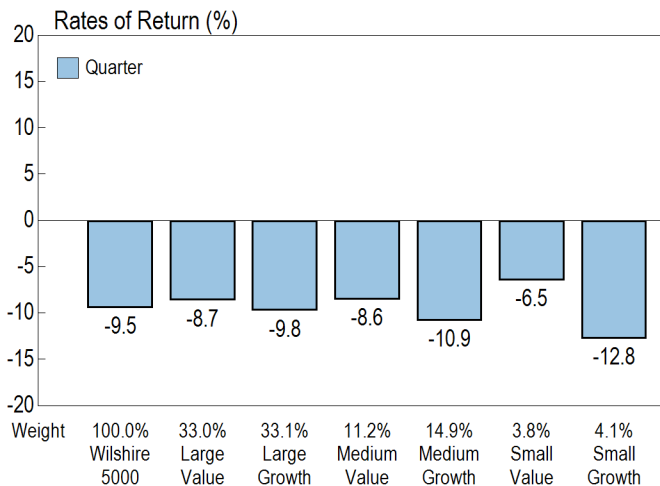
**SECTOR RETURNS
ONE-YEAR ENDING 3/31/08**



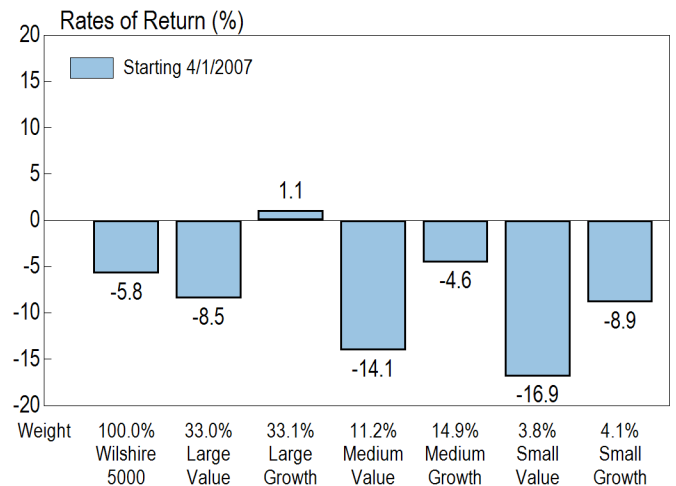
The Dow Jones Wilshire 5000 Index is the broadest available measure of the aggregate domestic stock market. It includes all domestic common stocks with readily available price information.

The exhibits above show the performance of the sectors that comprise the Dow Jones Wilshire 5000 Index. The percentage below each bar indicates the sector's weight within the Dow Jones Wilshire 5000 Index at quarter-end.

**STYLE RETURNS
FIRST QUARTER**

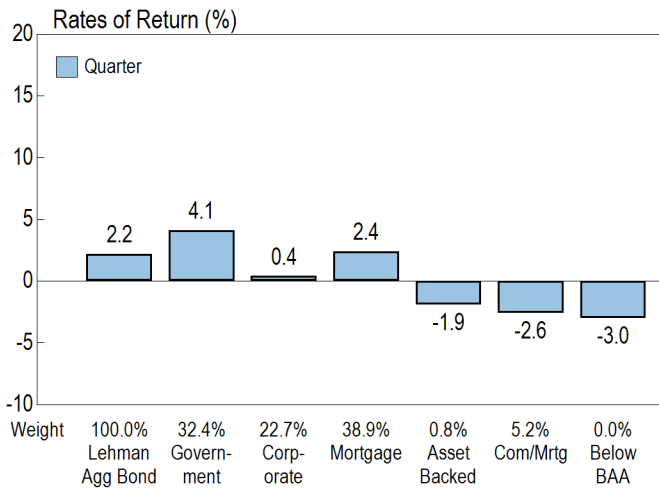


**STYLE RETURNS
ONE-YEAR ENDING 3/31/08**

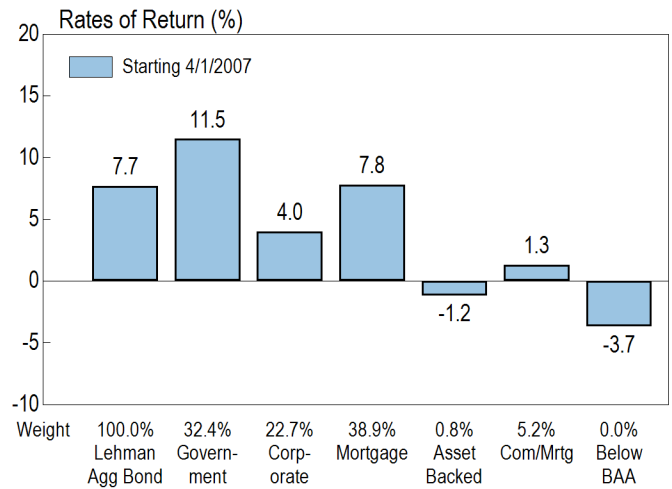


The exhibits above illustrate the performance of stock investment styles according to capitalization (large and small) and style characteristics (value and growth). The percentage below each bar indicates the segment's weight within the Dow Jones Wilshire 5000 Index at quarter-end.

**SECTOR RETURNS
FIRST QUARTER**



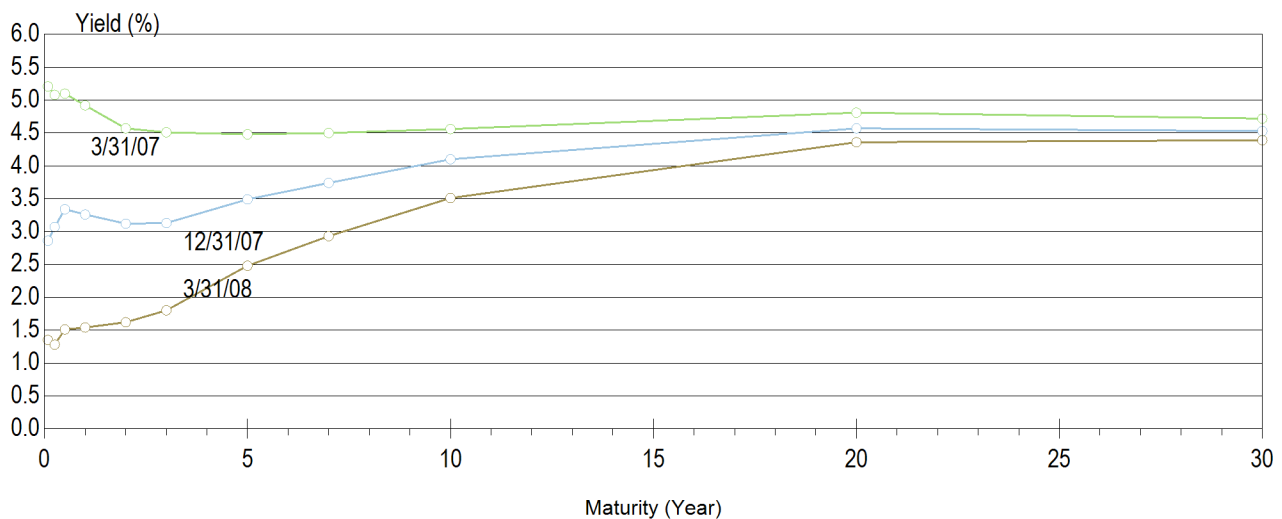
**SECTOR RETURNS
ONE-YEAR ENDING 3/31/08**



The Lehman Brothers Aggregate Bond Index is a broad measure of the U.S. investment grade fixed income market. The Index consists of the corporate, government, and mortgage-backed indexes and includes credit card, auto, and home equity loan-backed securities.

The exhibits above show the performance of the sectors that comprise the broad domestic bond market. The percentage below each bar indicates the sector's weight within the Lehman Brothers Aggregate Bond Index at quarter-end.

U.S. TREASURY CURVE

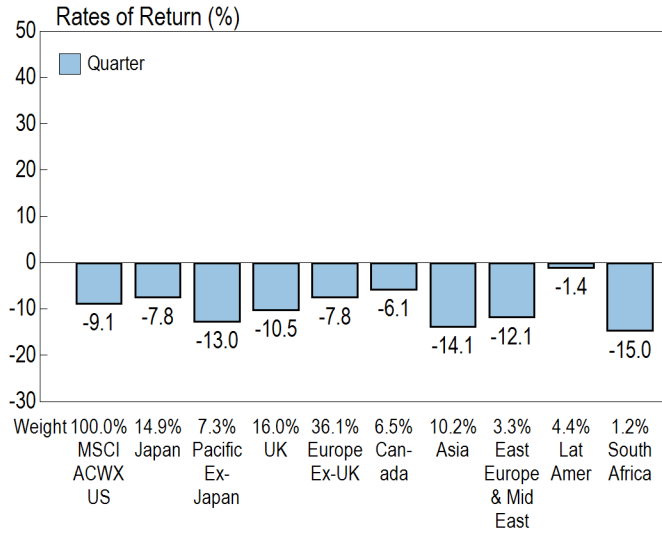


The exhibit above illustrates yields of Treasury securities of various maturities as of March 31, 2007, December 31, 2007, and March 31, 2008.

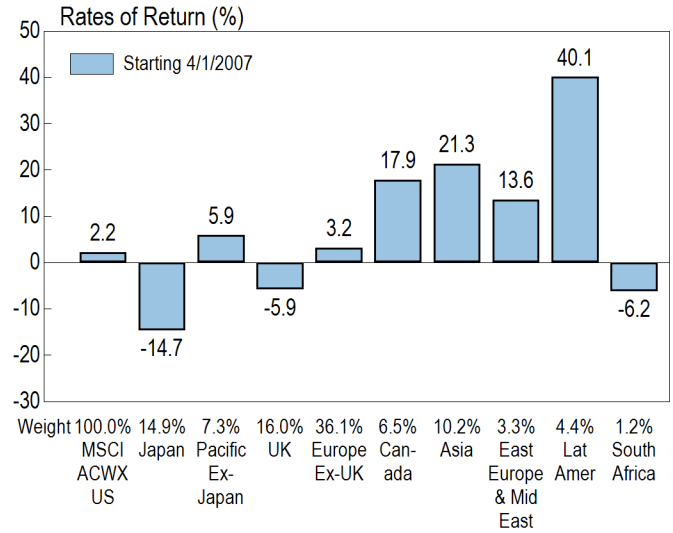
MARKET ENVIRONMENT

NON-U.S. STOCK MARKETS

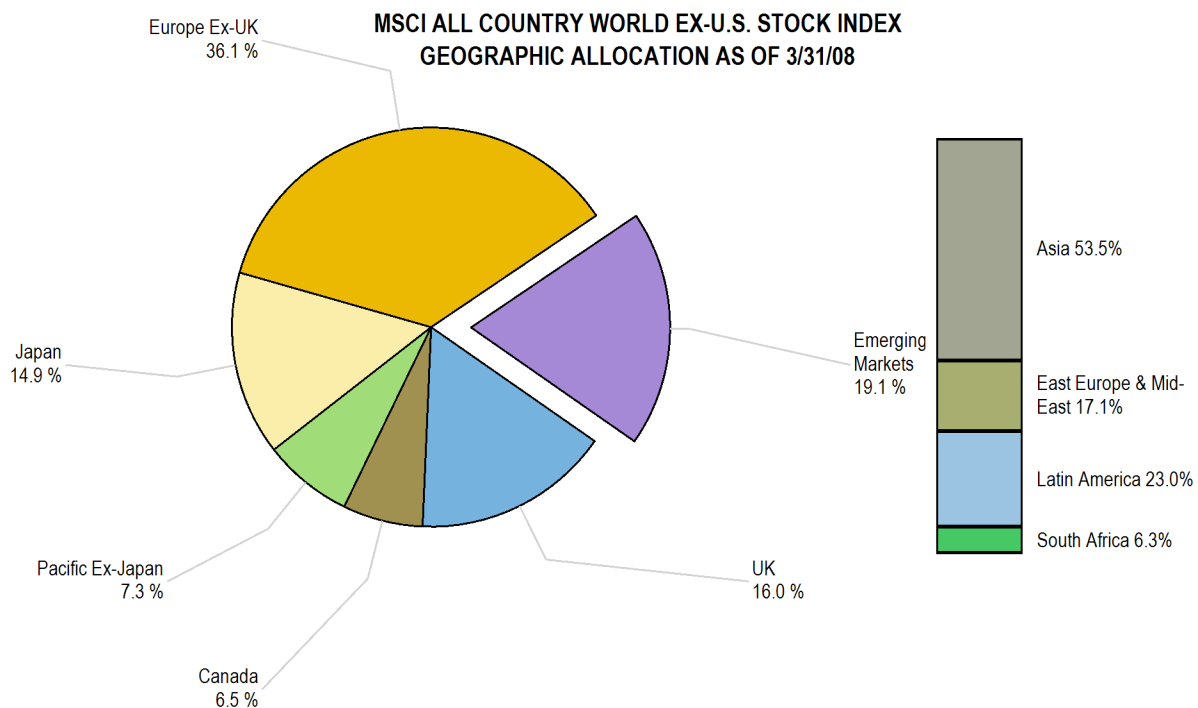
**NON-U.S. STOCK MARKET RETURNS
FIRST QUARTER**



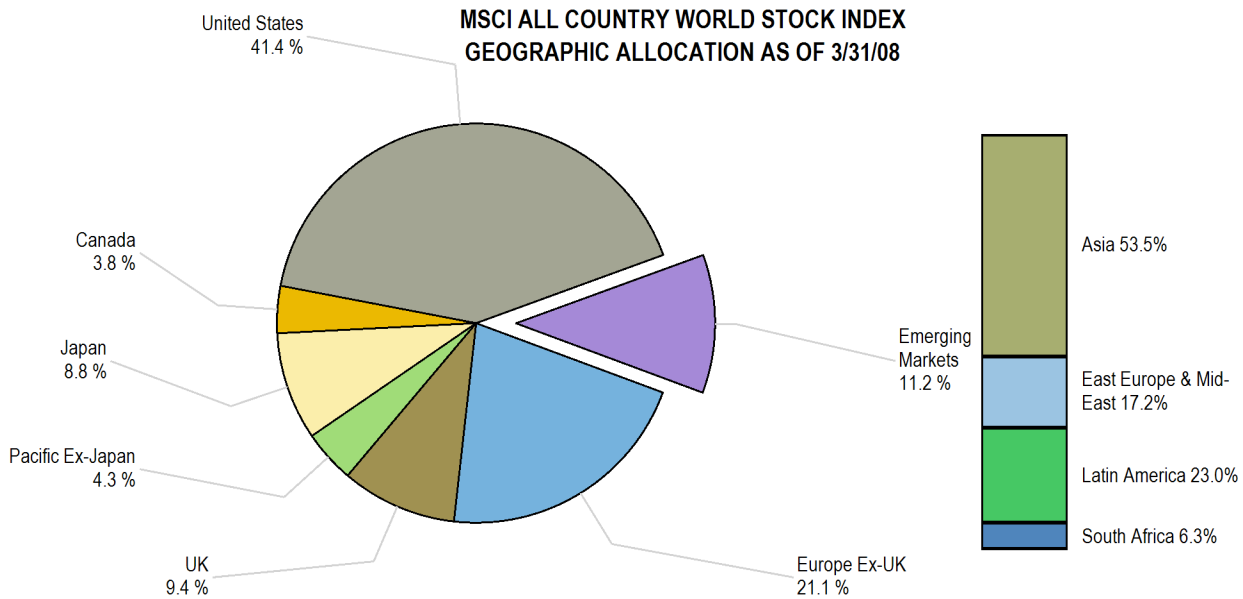
**NON-U.S. STOCK MARKET RETURNS
ONE-YEAR ENDING 3/31/08**



The MSCI All Country World ex-U.S. Index is a capitalization-weighted index of stocks representing 22 developed stock markets and 25 emerging stock markets around the world. The exhibits above show the performance of the regions that comprise the MSCI All Country World ex-U.S. Index at quarter-end.

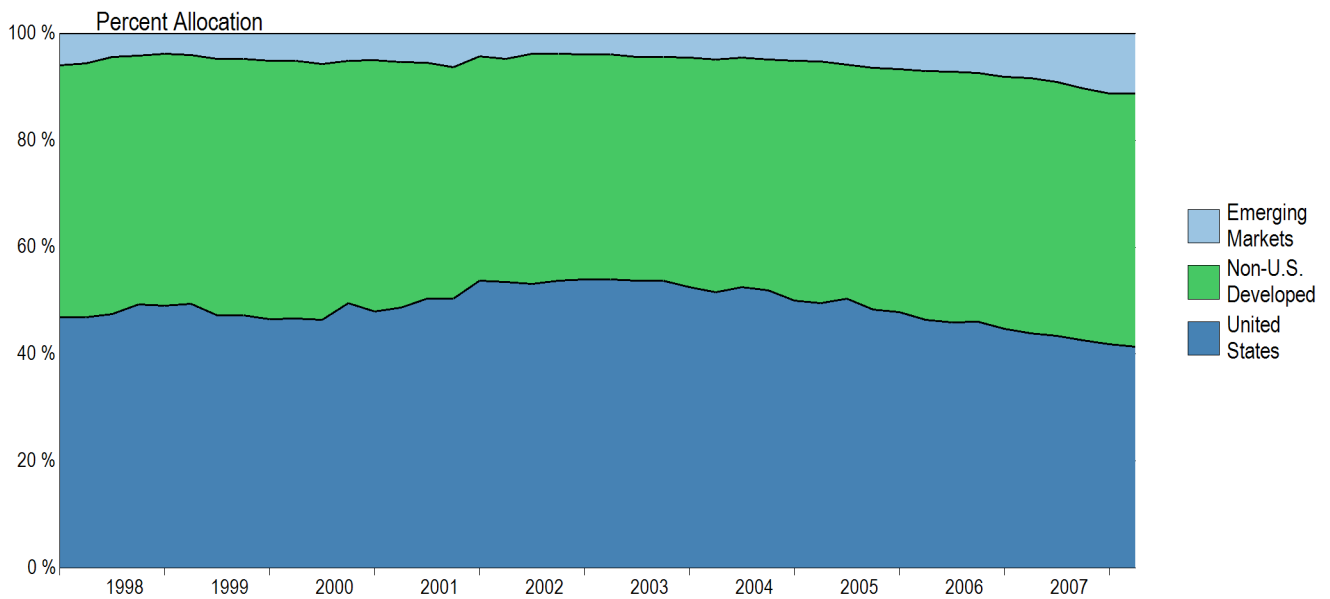


The exhibit above illustrates the percent each region represents of the non-U.S. stock market as measured by the MSCI All Country World ex-U.S. Index.



The MSCI All Country World Index is a capitalization-weighted index of stocks representing 23 developed stock markets and 25 emerging stock markets around the world. The graph above shows the allocation to each region at quarter-end.

ALLOCATION



The graph above shows the changes in the breakdown between the United States, non-U.S. developed markets, and emerging markets in the MSCI All Country World Index over time.

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**RETURN SUMMARY
ENDING 3/31/08**

	First Quarter	1 Year Ending 3/31/08	3 Years Ending 3/31/08	5 Years Ending 3/31/08
North Shore Savings Fund	0.5%	3.2%	3.4%	2.6%
iMoney Net Money Fund Average	0.8	4.3	3.6	2.4

Investment Strategy

The objective of the North Shore Savings Fund is to preserve capital and provide current income, while maintaining a high level of liquidity. The Fund is FDIC insured.

Performance Commentary

The Fund's short-term instruments continued to provide stability for investors.

The Fund trailed the return of the iMoneyNet Money Fund Average during the first quarter, and trailing one and three-year periods, but outperformed the return of the Average over the trailing five period. The Fund has met its investment objective of providing participants with a high level of liquidity and capital preservation.

HISTORICAL RETURNS

(BY YEAR)

	North Shore Savings Fund	iMoney Net Money Fund Average	Return Difference
	Return	Return	
1996	5.3%	4.9%	0.4
1997	5.4	5.1	0.3
1998	5.2	5.0	0.2
1999	4.8	4.6	0.2
2000	5.3	5.9	-0.6
2001	4.3	3.7	0.6
2002	1.6	2.1	-0.5
2003	1.4	0.9	0.5
2004	1.3	0.6	0.7
2005	2.8	1.7	1.1
2006	3.7	3.8	-0.1
2007	3.7	4.7	-1.0
2008 (3 months)	0.5	0.8	-0.3
Trailing 1-Year	3.2%	4.3%	-1.1
Trailing 3-Year	3.4	3.6	-0.2
Trailing 5-Year	2.6	2.4	0.2
Trailing 10-Year	3.3	3.2	0.1
Since Inception (10/31/94)	3.8	3.7	0.1

STABLE VALUE

RETURN SUMMARY ENDING 3/31/08

	First Quarter	1 Year Ending 3/31/08	3 Years Ending 3/31/08	5 Years Ending 3/31/08
Stable Value Fund	1.2 %	4.9 %	4.7 %	4.5 %
EnnisKnupp GIC Index	1.2	4.7	4.2	4.1

Investment Strategy

The Stable Value Fund managed by Great-West seeks to provide a stable rate of return through current income while preserving capital. The Fund invests solely in fixed income securities rated AAA or those issued by the U.S. government and its agencies. The Fund will allocate assets to sectors that management believes offer increased yield potential.

Performance Commentary

The Stable Value Fund matched the return of its benchmark during the quarter and exceeded its benchmark return over the longer-term periods shown above. As shown below, Great-West's annual performance has been favorable relative to the benchmark since inception.

HISTORICAL RETURNS (BY YEAR)

	Stable Value Fund	EnnisKnupp GIC Index	Return Difference
	Return	Return	
1996	6.5 %	6.2 %	0.3
1997	6.4	6.3	0.1
1998	6.3	6.2	0.1
1999	6.3	6.0	0.3
2000	6.5	6.4	0.1
2001	6.5	6.2	0.3
2002	5.7	5.1	0.6
2003	4.3	4.1	0.2
2004	4.2	3.9	0.3
2005	4.5	3.7	0.8
2006	4.8	4.1	0.7
2007	4.9	4.6	0.3
2008 (3 months)	1.2	1.2	0.0
Trailing 1-Year	4.9 %	4.7 %	0.2
Trailing 3-Year	4.7	4.2	0.5
Trailing 5-Year	4.5	4.1	0.4
Trailing 10-Year	5.3	5.0	0.3
Since Inception (7/31/94)	5.6	5.3	0.3

**RETURN SUMMARY
ENDING 3/31/08**

	First Quarter	1 Year Ending 3/31/08	3 Years Ending 3/31/08	5 Years Ending 3/31/08
PIMCO Total Return Fund Instl	3.3 %	10.8 %	6.4 %	5.4 %
LB Aggregate Bond Index	2.2	7.7	5.5	4.6

Investment Strategy

The PIMCO Total Return Fund, Institutional Shares, seeks total return consistent with preservation of capital. The Fund's strategy includes active sector rotation and moderate interest-rate anticipation. PIMCO's objective is to outperform the Lehman Brothers Aggregate Bond Index without incurring greater risk by utilizing innovative investment techniques or identifying sector and issue buying opportunities. The Fund maintains a duration between 3 and 6 years and can invest up to 10% in issues rated below BBB but no lower than B. The Fund may invest up to 20% of assets in non-dollar bonds. In March of 2007, PIMCO's Institutional share class replaced the Administrative share class.

Performance Commentary

The PIMCO Total Return Fund posted a gain of 3.3% and outperformed the LB Aggregate Bond Index by 110 basis points. The manager's front end yield curve bias proved to be the largest contributor to the favorable performance following the aggressive Fed easing campaign during the first quarter, causing the yield curve to steepen significantly. The decision to underweight corporate bonds was also rewarded, as the sector trailed the returns of the broad market. Another source of value added was PIMCO's long currency positions in emerging markets, most notably the Brazilian Real. Detracting from performance was an overweight allocation to mortgages as well as interest rate risk positions in emerging markets.

PIMCO's longer-term performance, as shown above, has remained favorable relative to the LB Aggregate Bond Index.

PIMCO TOTAL RETURN INSTL

FUND CHARACTERISTICS AS OF 3/31/08

	PIMCO Total Return Fund Instl	
Credit Quality	AAA	66%
	AA	14
	A	8
	BBB	5
	<BBB	7
Composition	US Gov't/Agency	-16%
	Corporate	15
	Mortgage-Backed	68
	Foreign	9
	Cash	23
	Other	1
Average Maturity/Duration	6.0 years/4.3 years	
Number of Issues	3,457	
Turnover	N/A	
Distriubtion Yield	4.83%	
Inception Date	September 1994	
Total Fund Assets	\$125.1 billion	
Fees	0.43%	

HISTORICAL RETURNS

(BY YEAR)

	PIMCO Total Return Fund Instl	LB Aggregate Bond Index	Return Difference
	Return	Return	
1996	4.5%	3.6%	0.9
1997	9.9	9.7	0.2
1998	9.5	8.7	0.8
1999	-0.5	-0.8	0.3
2000	11.8	11.6	0.2
2001	9.2	8.4	0.8
2002	9.9	10.3	-0.4
2003	5.3	4.1	1.2
2004	4.9	4.3	0.6
2005	2.6	2.4	0.2
2006	3.7	4.3	-0.6
2007	9.0	7.0	2.0
2008 (3 months)	3.3	2.2	1.1
Trailing 1-Year	10.8%	7.7%	3.1
Trailing 3-Year	6.4	5.5	0.9
Trailing 5-Year	5.4	4.6	0.8
Trailing 10-Year	6.7	6.0	0.7
Since Inception (6/30/87)	8.2	7.5	0.7

RETURN SUMMARY
ENDING 3/31/08

	First Quarter		1 Year Ending 3/31/08		3 Years Ending 3/31/08		5 Years Ending 3/31/08	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank
TRP PS Income	-3.6%	49	1.6%	38	6.5%	16	9.3%	10
Custom Benchmark	-2.8	31	1.9	35	6.0	23	7.9	32

Investment Strategy

T. Rowe Price Personal Strategy Income Fund seeks to provide income, with a secondary goal of capital appreciation. The Fund invests in a variety of both stocks and bonds, with an emphasis on dividend-paying stocks and government and high-quality corporate, income-producing bonds.

The Fund's target asset allocation is 40% stocks, 40% bonds, and 20% cash. Typically, the Fund maintains a 5% - 10% exposure to non-U.S. stocks. It is the most conservative of the three T. Rowe Price lifestyle funds.

Performance Commentary

The T. Rowe Price Personal Strategy Income Fund declined 3.6% during the quarter and lagged its benchmark by 80 basis points. Compared with the benchmark, the Fund had an overweight allocation to stocks and bonds and an underweight allocation to cash. The Fund's stock exposure hindered results as stock returns continued to suffer. The manager noted that the Fund's high-yield allocation hurt results in its fixed-income component, as high-yield bonds performed poorly due to investors' flight to safety. On the positive side, the manager's decision to reduce high-yield exposure was favorable.

The Fund's long-term performance is mixed when compared to its benchmark. While the trailing one-year return modestly underperformed the return of the Fund's benchmark, the trailing three- and five-year returns outperformed.

T. ROWE PRICE

PERSONAL STRATEGY INCOME

FUND CHARACTERISTICS AS OF 3/31/08

	Personal Strategy Income Fund	
Composition	U.S. Stock	33.4%
	Non-U.S. Stock	10.3
	Bonds	44.5
	Cash	11.8
Number of Holdings	Stocks	662
	Bonds	602
Turnover	81%	
Inception Date	July 1994	
Total Fund Assets	\$783.4 million	
Fees	0.74%	

HISTORICAL RETURNS

(BY YEAR)

	TRP PS Income	Custom Benchmark	Return Difference
	Return	Return	
1996	11.8%	9.9%	1.9
1997	15.0	15.3	-0.3
1998	11.5	14.1	-2.6
1999	5.2	9.9	-4.7
2000	6.6	1.0	5.6
2001	0.9	-0.9	1.8
2002	-3.4	-4.1	0.7
2003	18.6	14.3	4.3
2004	9.9	7.4	2.5
2005	5.2	4.5	0.7
2006	9.6	9.3	0.3
2007	7.3	6.4	0.9
2008 (3 months)	-3.6	-2.8	-0.8
Trailing 1-Year	1.6%	1.9%	-0.3
Trailing 3-Year	6.5	6.0	0.5
Trailing 5-Year	9.3	7.9	1.4
Trailing 10-Year	6.0	5.1	0.9
Since Inception (8/31/94)	8.5	7.4	1.1

RETURN SUMMARY
ENDING 3/31/08

	First Quarter		1 Year Ending 3/31/08		3 Years Ending 3/31/08		5 Years Ending 3/31/08	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank
TRP PS Balanced	-6.1%	54	-0.6%	40	7.0%	19	11.4%	14
Custom Benchmark	-5.0	31	-0.4	37	6.7	22	10.1	30

Investment Strategy

T. Rowe Price Personal Strategy Balanced Fund seeks both capital appreciation and income. The Fund invests in a variety of both stocks and bonds, with an emphasis on blue-chip, dividend-paying stocks, government and high-quality corporate, income-producing bonds.

The Fund's neutral asset allocation is 60% stocks, 30% bonds, and 10% cash. Typically, the Fund maintains a 10% exposure to non-U.S. stocks. The balanced fund is the median of the three T. Rowe Price lifestyle funds in terms of expected risk and reward.

Performance Commentary

The T. Rowe Price Personal Strategy Balanced Fund trailed its benchmark by 110 basis points during the first quarter. Compared with the benchmark, the Fund had an overweight allocation to stocks and bonds and an underweight allocation to cash. The Fund's stock exposure hindered results as stock returns continued to suffer. The manager noted that the Fund's high-yield allocation hurt results in its fixed-income component, as high-yield bonds performed poorly due to investors' flight to safety. On the positive side, the manager's decision to reduce high-yield exposure was favorable.

With the exception of the Fund's trailing one-year return, all long-term performance remains favorable.

T. ROWE PRICE

PERSONAL STRATEGY BALANCED

FUND CHARACTERISTICS AS OF 3/31/08

	Personal Strategy Balanced Fund	
Composition	U.S. Stock	49.0%
	Non-U.S. Stock	15.2
	Bonds	34.0
	Cash	1.8
Number of Holdings	Stocks	662
	Bonds	624
Turnover	74%	
Inception Date	July 1994	
Total Fund Assets	\$1.4 billion	
Fees	0.79%	

HISTORICAL RETURNS

(BY YEAR)

	TRP PS Balanced	Custom Benchmark	Return Difference
	Return	Return	
1996	14.2 %	12.6 %	1.6
1997	17.8	18.9	-1.1
1998	13.9	17.4	-3.5
1999	8.0	14.3	-6.3
2000	5.6	-3.0	8.6
2001	-2.5	-4.7	2.2
2002	-7.7	-9.2	1.5
2003	24.4	20.4	4.0
2004	12.6	9.6	3.0
2005	6.4	5.6	0.8
2006	11.9	12.1	-0.2
2007	7.7	6.6	1.1
2008 (3 months)	-6.1	-5.0	-1.1
Trailing 1-Year	-0.6 %	-0.4 %	-0.2
Trailing 3-Year	7.0	6.7	0.3
Trailing 5-Year	11.4	10.1	1.3
Trailing 10-Year	6.2	5.1	1.1
Since Inception (8/31/94)	9.3	8.2	1.1

RETURN SUMMARY
ENDING 3/31/08

	First Quarter		1 Year Ending 3/31/08		3 Years Ending 3/31/08		5 Years Ending 3/31/08	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank
TRP PS Growth	-8.6%	60	-3.2%	45	7.3%	23	13.2%	20
Custom Benchmark	-7.1	33	-2.7	41	7.1	25	12.0	33

Investment Strategy

T. Rowe Price Personal Strategy Growth Fund seeks capital appreciation, with a secondary goal of income. The Fund invests in a variety of both stocks and bonds, with an emphasis on blue-chip, dividend-paying stocks, government and high-quality corporate, and income-producing bonds.

The Fund's neutral asset allocation is 80% stocks and 20% bonds. Typically, the Fund maintains a 15% - 25% exposure to non-U.S. stocks. The growth fund has the highest expected risk/reward profile of the three T. Rowe Price lifestyle funds.

Performance Commentary

The T. Rowe Price Personal Strategy Growth Fund returned -8.6% during the quarter, underperforming its benchmark by 150 basis points. Compared with the benchmark, the Fund had an overweight allocation to stocks and bonds and an underweight allocation to cash. The Fund's stock exposure hindered results as stock returns continued to suffer. Additionally, the Fund's large underweight allocation to cash was unfavorable to performance as the Fund was unable to take advantage of the safety of the asset class. The manager noted that the Fund's high-yield allocation hurt results in its fixed-income component, as high-yield bonds performed poorly due to investors' flight to safety. On the positive side, the manager's decision to reduce high-yield exposure was favorable.

The Fund's trailing one-year return lagged its benchmark return by 50 basis points, while the trailing three- and five-years returns outperformed that of its benchmark.

T. ROWE PRICE

PERSONAL STRATEGY GROWTH

FUND CHARACTERISTICS AS OF 3/31/08

	Personal Strategy Growth Fund	
Composition	U.S. Stock	64.3%
	Non-U.S. Stock	19.8
	Bonds	15.4
	Cash	0.6
Number of Holdings	Stocks	662
	Bonds	549
Turnover	58%	
Inception Date	July 1994	
Total Fund Assets	\$1.2 billion	
Fees	0.85%	

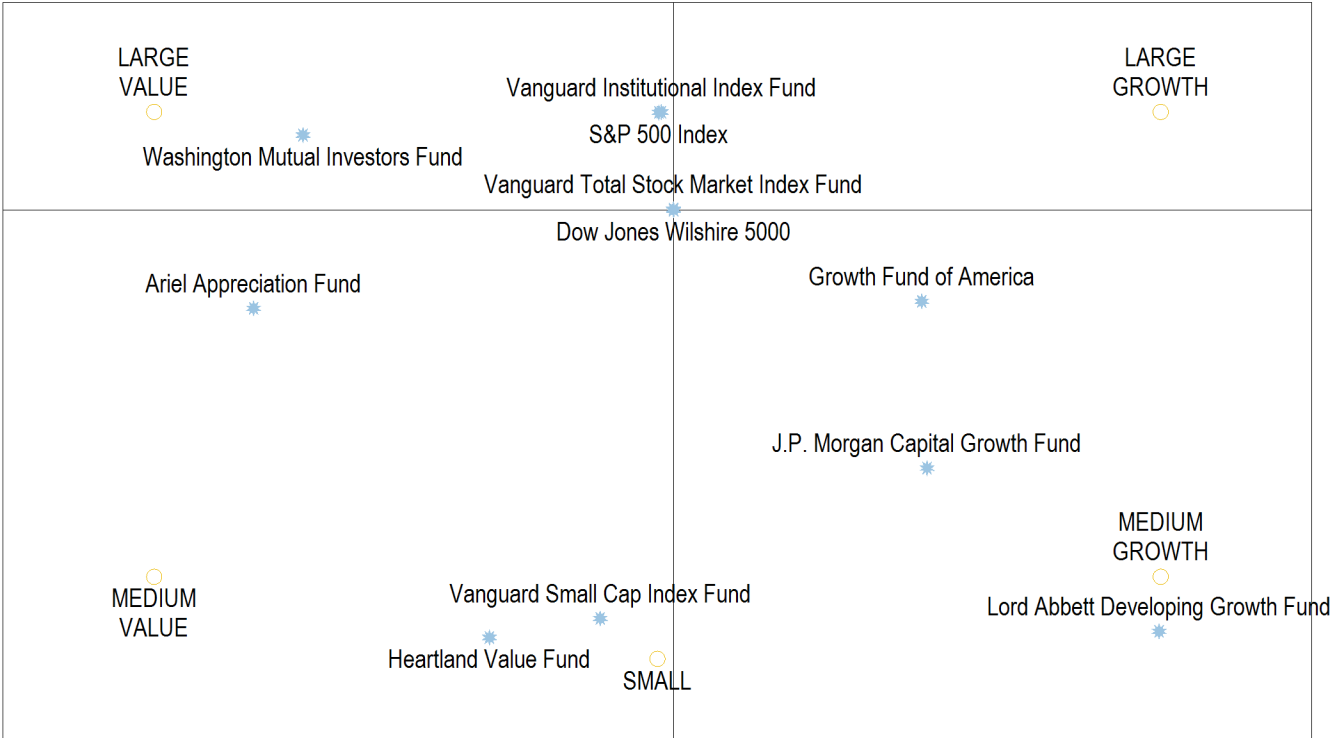
HISTORICAL RETURNS

(BY YEAR)

	TRP PS Growth	Custom Benchmark	Return Difference
	Return	Return	
1996	17.7%	15.7%	2.0
1997	20.6	23.1	-2.5
1998	15.6	20.6	-5.0
1999	11.2	18.8	-7.6
2000	4.7	-7.0	11.7
2001	-6.0	-8.4	2.4
2002	-12.4	-14.4	2.0
2003	29.3	26.6	2.7
2004	15.0	11.8	3.2
2005	7.6	6.5	1.1
2006	14.1	14.7	-0.6
2007	7.8	6.7	1.1
2008 (3 months)	-8.6	-7.1	-1.5
Trailing 1-Year	-3.2%	-2.7%	-0.5
Trailing 3-Year	7.3	7.1	0.2
Trailing 5-Year	13.2	12.0	1.2
Trailing 10-Year	6.1	4.9	1.2
Since Inception (8/31/94)	10.1	9.0	1.1

U.S. STOCK FUNDS - INVESTMENT STYLE

EFFECTIVE STYLE MAP
7 YEARS ENDING 3/31/08



WASHINGTON MUTUAL INVESTORS

RETURN SUMMARY ENDING 3/31/08

	First Quarter		1 Year Ending 3/31/08		3 Years Ending 3/31/08		5 Years Ending 3/31/08	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Washington Mutual Investors Fund	-8.0%	21	-5.2%	45	5.9%	50	11.2%	67
Russell 1000 Value Index	-8.7	28	-10.0	75	6.0	48	13.7	38
S&P 500 Index	-9.4	38	-5.1	43	5.9	50	11.3	65

Investment Strategy

Washington Mutual Investors Fund seeks both income and growth of capital. The Fund invests in stocks that meet the fiduciary requirements for the investment of trust funds. This includes companies that have paid consistent dividends and excludes those that derive their primary revenues from alcohol or tobacco (this guideline was replaced by ERISA in 1974, but has been an investment principle for this fund since its 1952 inception). In particular, they seek companies that have paid dividends in at least nine of the last ten years.

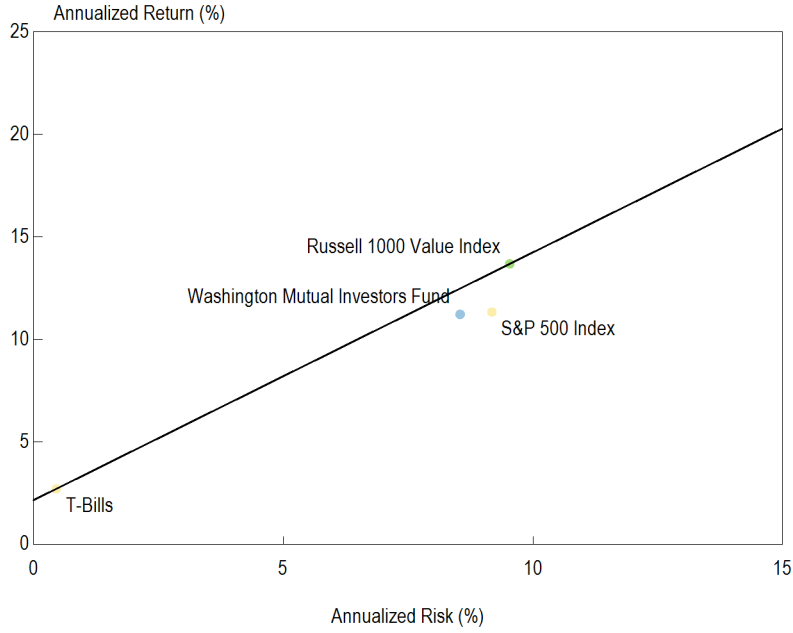
Capital Research & Management (the American Funds family) provides investment services for this fund. Management looks for stocks with strong long-term prospects selling at low prices. The Fund may invest up to 5% of assets in securities of non-U.S. issuers.

Performance Commentary

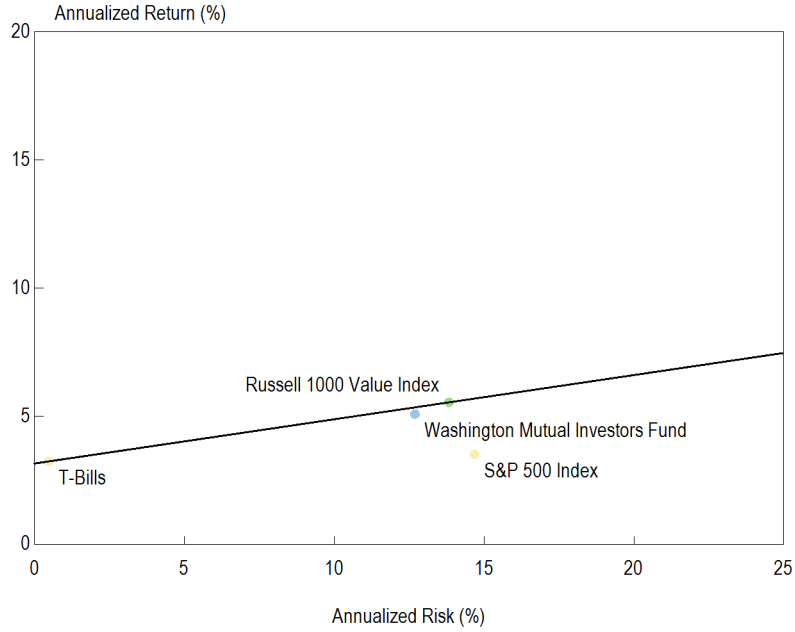
The Washington Mutual Investors Fund declined 8.0% during the quarter, outperforming both the Russell 1000 Value and S&P 500 Index. Performance was driven by both sector allocation and stock selection. Underweight allocations to the financial and information technology sectors proved beneficial. Additionally, an overweight allocation to cash contributed positively to the Fund's return. Detracting from results were overweight allocations to the telecommunication and health care sectors. From an industry perspective, stock selection within the computer and peripheral devices and capital markets helped performance. On the other hand, poor stock selection in thrifts and mortgage financial and wireless telecommunication services detracted from performance.

The Fund has outperformed its benchmark during the one year period, while nearly matching the S&P 500 Index. Over the trailing three- and five-year periods, the Fund has underperformed its benchmark and has approximated the return of the S&P 500 Index. The S&P 500 Index is the Fund's internal benchmark.

**ANNUALIZED RISK RETURN
5 YEARS ENDING 3/31/08**



**ANNUALIZED RISK RETURN
10 YEARS ENDING 3/31/08**



WASHINGTON MUTUAL INVESTORS

FUND CHARACTERISTICS AS OF 3/31/08

	Washington Mutual Investors Fund	
Style Characteristics	Value	
Capitalization Focus	Large	
Level of Diversification	Diversified	
Market Risk (Beta)*	0.92	
Composition	U.S. Stocks	96.1%
	Non-U.S. Stocks	1.2
	Cash	2.7
Number of Issues	120	
Turnover	19%	
Inception Date	July 1952	
Total Fund Assets	\$74.1 billion	
Fees	0.60%	

HISTORICAL RETURNS

(BY YEAR)

	Washington Mutual Investors Fund	Russell 1000 Value Index	Return Difference
	Return	Return	
1996	20.2%	21.6%	-1.4
1997	33.3	35.2	-1.9
1998	19.4	15.6	3.8
1999	1.2	7.4	-6.2
2000	9.1	7.0	2.1
2001	1.5	-5.6	7.1
2002	-14.8	-15.5	0.7
2003	25.8	30.0	-4.2
2004	9.9	16.5	-6.6
2005	3.5	7.0	-3.5
2006	18.0	22.2	-4.2
2007	4.0	-0.2	4.2
2008 (3 months)	-8.0	-8.7	0.7
Trailing 1-Year	-5.2%	-10.0%	4.8
Trailing 3-Year	5.9	6.0	-0.1
Trailing 5-Year	11.2	13.7	-2.5
Trailing 10-Year	5.1	5.5	-0.4
Since Inception (8/31/52)	12.5	--	--

*Relative to the Russell 1000 Value Index.

RETURN SUMMARY ENDING 3/31/08

	First Quarter		1 Year Ending 3/31/08		3 Years Ending 3/31/08		5 Years Ending 3/31/08	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Vanguard Institutional Index Fund	-9.4%	38	-5.1%	44	5.8%	50	11.3%	65
S&P 500 Index	-9.4	38	-5.1	43	5.9	50	11.3	65

Investment Strategy

The Vanguard Institutional Index Fund is designed to approximate the performance of the S&P 500 Stock Index. The fund holds a capitalization-weighted position in all 500 securities of the S&P 500 Stock Index.

Management uses S&P 500 Index futures to manage fund inflows and outflows.

Milwaukee County switched from the retail Vanguard 500 Index Fund to the Vanguard Institutional Index Fund in May 1999.

Performance Commentary

The Vanguard Institutional Index Fund matched the return of the S&P 500 Index during the first quarter and over all longer-term periods shown above, as expected.

VANGUARD INSTITUTIONAL INDEX

FUND CHARACTERISTICS AS OF 3/31/08

	Vanguard Institutional Index Fund	
Style Characteristics	Core	
Capitalization Focus	Large	
Level of Diversification	Diversified	
Market Risk (Beta)*	1.00	
Composition	U.S. Stocks	99.9%
	Non - U.S. Stocks	0.1
	Cash	0.0
Number of Issues	511	
Turnover	8%	
Inception Date	July 1990	
Total Fund Assets	\$67.3 billion	
Fees	0.05%	

HISTORICAL RETURNS (BY YEAR)

	Vanguard Institutional Index Fund	S&P 500 Index	Return Difference
	Return	Return	
1996	23.1%	23.0%	0.1
1997	33.4	33.4	0.0
1998	28.8	28.6	0.2
1999	21.2	21.0	0.2
2000	-8.9	-9.1	0.2
2001	-11.9	-11.9	0.0
2002	-22.0	-22.1	0.1
2003	28.7	28.7	0.0
2004	10.9	10.9	0.0
2005	4.9	4.9	0.0
2006	15.8	15.8	0.0
2007	5.5	5.5	0.0
2008 (3 months)	-9.4	-9.4	0.0
Trailing 1-Year	-5.1%	-5.1%	0.0
Trailing 3-Year	5.8	5.9	-0.1
Trailing 5-Year	11.3	11.3	0.0
Trailing 10-Year	3.5	3.5	0.0
Since Inception (8/31/90)	10.6	10.6	0.0

*Relative to the S&P 500 Index.

**RETURN SUMMARY
ENDING 3/31/08**

	First Quarter		1 Year Ending 3/31/08		3 Years Ending 3/31/08		5 Years Ending 3/31/08	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Growth Fund of America	-7.8 %	20	1.1 %	15	10.0 %	12	14.9 %	25
Russell 1000 Growth Index	-10.2	53	-0.8	23	6.3	43	10.0	83

Investment Approach

Capital Research and Management is the sub-advisor for the Growth Fund of America. Capital Research uses a multiple-counselor system in managing the portfolio's assets. The portfolio is divided into segments and the counselors manage their respective segments autonomously. The research analysts are responsible for making the investment decisions for one of the segments.

The Capital Research and Management Investment Committee is responsible for making sure the portfolio stays within its limits and adheres to its investment policies. The objective of the Fund is to provide long-term growth of capital by investing in a diversified portfolio of common stocks while using a growth-at-a-reasonable price strategy. The Fund may invest up to 15% of its assets in companies domiciled outside the U.S. This Fund is less volatile than most large cap growth funds.

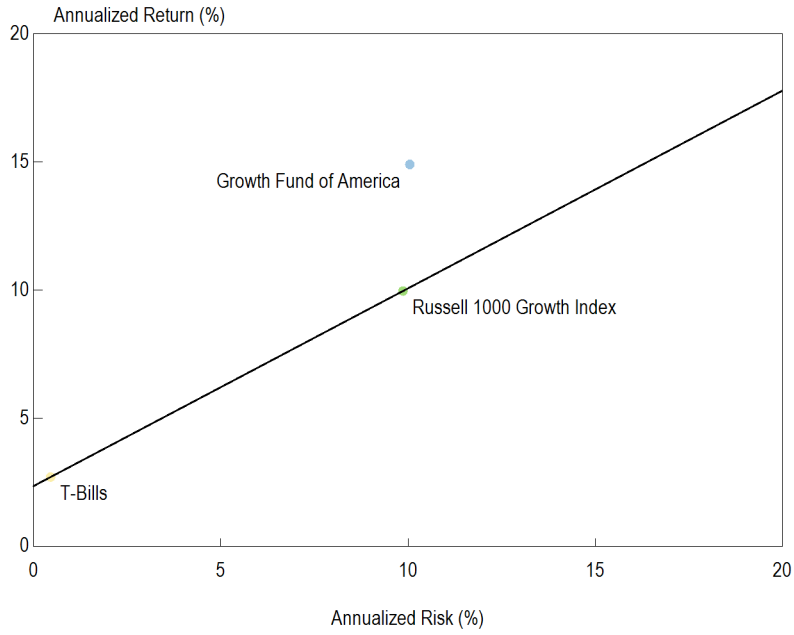
Performance Commentary

While negative in absolute terms, the American Funds Growth Fund of America return of -7.8% exceeded that of the Russell 1000 Growth Index by 240 basis points during the quarter. The Fund's performance was positively impacted by its allocation to energy, materials, health care, and diversified financials. Stock selections within pharmaceuticals, biotechnology, and chemicals also aided performance. From a country perspective, the manager's holdings within Switzerland, South Korea, Ireland, and the United Kingdom contributed favorably to relative results. Stock selections in financials, particularly, thrifts and mortgages and wireless telecommunication services, impaired performance, as the Fund was overweight these sectors relative to its benchmark. Additionally, stock selection among hotel restaurants and household durables negatively impacted performance this quarter.

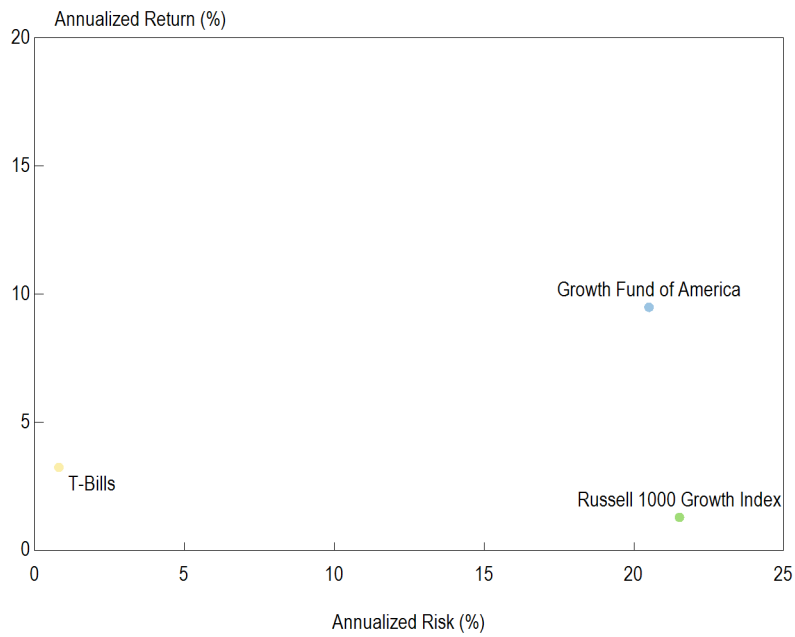
Over the long-term periods shown above, the Fund has outpaced the Russell 1000 Growth Index.

GROWTH FUND OF AMERICA

ANNUALIZED RISK RETURN 5 YEARS ENDING 3/31/08



ANNUALIZED RISK RETURN 10 YEARS ENDING 3/31/08



FUND CHARACTERISTICS AS OF 3/31/08

	Growth Fund of America	
Style Characteristics	Growth	
Capitalization Focus	Large	
Level of Diversification	Diversified	
Market Risk (Beta)*	0.89	
Composition		
	U.S. Stocks	69.9%
	Non-U.S. Stocks	18.6
	U.S. Bonds	0.1
	Cash	11.4
Number of Issues	280	
Turnover	26%	
Inception Date	December 1973	
Total Fund Assets	\$180.1 billion	
Fees	0.35%	

HISTORICAL RETURNS

(BY YEAR)

	Growth Fund of America	Russell 1000 Growth Index	Return Difference
	Return	Return	
1996	14.8%	23.1%	-8.3
1997	26.9	30.5	-3.6
1998	31.8	38.7	-6.9
1999	45.7	33.2	12.5
2000	7.5	-22.4	29.9
2001	-12.3	-20.4	8.1
2002	-21.8	-27.9	6.1
2003	33.3	29.8	3.5
2004	12.2	6.3	5.9
2005	14.5	5.3	9.2
2006	11.2	9.1	2.1
2007	11.3	11.8	-0.5
2008 (3 months)	-7.8	-10.2	2.4
Trailing 1-Year	1.1%	-0.8%	1.9
Trailing 3-Year	10.0	6.3	3.7
Trailing 5-Year	14.9	10.0	4.9
Trailing 10-Year	9.5	1.3	8.2
Since Inception (5/31/94)	12.8	8.4	4.4

*Relative to the Russell 1000 Growth Index.

VANGUARD TOTAL STOCK MARKET INDEX

RETURN SUMMARY ENDING 3/31/08

	First Quarter		1 Year Ending 3/31/08		3 Years Ending 3/31/08		5 Years Ending 3/31/08	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Vanguard Total Stock Market Index Fund	-9.4%	38	-5.7%	51	6.3%	43	12.4%	52
Performance Benchmark	-9.5	40	-5.7	51	6.3	42	12.4	51

Investment Strategy

The objective of the Vanguard Total Stock Market Index Fund is to approximate the return of the MSCI U.S. Broad Market Index. The Vanguard Total Stock Market Index Fund utilizes a sampling technique that approximates the industry weightings and market capitalizations of the MSCI U.S. Broad Market Index. The Fund will replicate the weightings of the largest stocks in the Index and invest in a representative sample for the remaining portion. Through computer modeling techniques, management intends to match the Index's characteristics, including sector weightings, yield, price ratios, and risk.

Performance Commentary

The Vanguard Total Stock Market Index Fund approximated the return of its benchmark during the first quarter and over all longer-term periods shown above, as expected. The Vanguard Total Stock Market Index Fund has provided participants with broad, low cost exposure to the U.S. equity market.

An explanation of the Performance Benchmark can be found in the Appendix.

VANGUARD TOTAL STOCK MARKET INDEX

FUND CHARACTERISTICS AS OF 3/31/08

	Vanguard Total Stock Market Index Fund	
Style Characteristics	Core	
Capitalization Focus	Large and Medium	
Level of Diversification	Diversified	
Market Risk (Beta)*	1.00	
Composition	U.S. Stocks	99.4%
	Non-U.S. Stocks	0.6
	Cash	0.0
Number of Issues	3,547	
Turnover	5%	
Inception Date	April 1992	
Total Fund Assets	\$101.9 billion	
Fees	0.06%	

HISTORICAL RETURNS

(BY YEAR)

	Vanguard Total Stock Market Index Fund	Performance Benchmark	Return Difference
	Return	Return	
1997 (6 months)	11.4 %	11.6 %	-0.2
1998	23.3	23.4	-0.1
1999	23.8	23.6	0.2
2000	-10.6	-10.9	0.3
2001	-10.9	-11.0	0.1
2002	-21.0	-20.9	-0.1
2003	31.4	31.7	-0.3
2004	12.6	12.6	0.0
2005	6.1	6.2	-0.1
2006	15.7	15.7	0.0
2007	5.6	5.6	0.0
2008 (3 months)	-9.4	-9.5	0.1
Trailing 1-Year	-5.7 %	-5.7 %	0.0
Trailing 3-Year	6.3	6.3	0.0
Trailing 5-Year	12.4	12.4	0.0
Trailing 10-Year	4.0	3.9	0.1
Since Inception (7/31/97)	5.2	5.3	-0.1

*Relative to the Performance Benchmark (DJ Wilshire 5000 Stock Index prior to April 2005, MSCI Broad Market Index thereafter).

J.P. MORGAN CAPITAL GROWTH

RETURN SUMMARY ENDING 3/31/08

	First Quarter		1 Year Ending 3/31/08		3 Years Ending 3/31/08		5 Years Ending 3/31/08	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank
J.P. Morgan Capital Growth Fund	-14.1%	89	-2.6%	31	7.1%	33	14.6%	28
Performance Benchmark	-10.9	62	-4.6	40	7.8	25	15.2	23

Investment Strategy

The J.P. Morgan Capital Growth Fund seeks long-term capital growth. Income is not an objective. The Fund invests in stocks of mid cap companies with market capitalizations of \$1 billion to \$5 billion. The current benchmark is the Russell MidCap Growth Index; however, the Fund's actual allocations can vary from those in the Index.

The Fund may invest up to 20% of assets in foreign stocks, although management has typically maintained a small foreign allocation.

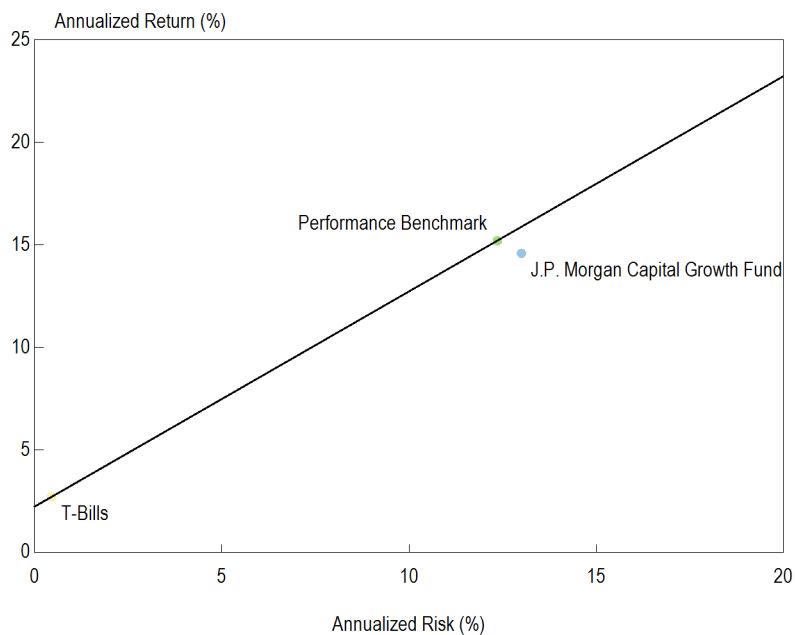
Performance Commentary

The J.P. Morgan Capital Growth Fund's first quarter return of -14.1% underperformed its benchmark, the Russell MidCap Growth Index, by 3.2 percentage points. Stock selection in the technology and health care sectors hampered results. Holding VCA Antech and National Financial Corporation detracted from the Fund's performance. Positively impacting results was holding Southwestern Energy, a company dedicated to the exploration for and production of natural gas in the U.S. Accounting for Southwestern's strong performance was a significant volume increase in production and the realization of higher oil and gas prices. The Fund also benefited from holdings in Cabot Oil and Gas Corporation.

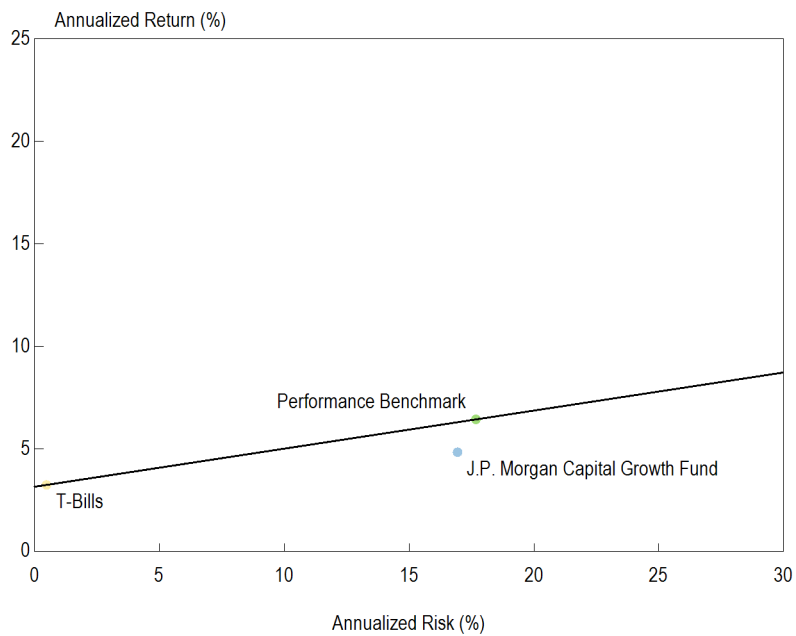
The Fund has added value over the trailing one- and three-year periods. Despite posting a strong return of 14.6% during the trailing five-year period, the Fund underperformed its benchmark by 60 basis points.

An explanation of the Performance Benchmark can be found in the Appendix.

**ANNUALIZED RISK RETURN
5 YEARS ENDING 3/31/08**



**ANNUALIZED RISK RETURN
10 YEARS ENDING 3/31/08**



J.P. MORGAN CAPITAL GROWTH

FUND CHARACTERISTICS AS OF 3/31/08

	J.P. Morgan Capital Growth Fund	
Style Characteristics	Growth	
Capitalization Focus	Medium	
Level of Diversification	Diversified	
Market Risk (Beta)*	0.93	
Composition	U.S. Stocks	94.7%
	Non-U.S. Stocks	1.8
	Cash	3.5
Number of Issues	91	
Turnover	107%	
Inception Date	September 1987	
Total Fund Assets	\$889 million	
Fees	1.14%	

HISTORICAL RETURNS

(BY YEAR)

	J.P. Morgan Capital Growth Fund	Performance Benchmark	Return Difference
	Return	Return	
1996	24.2%	19.0%	5.2
1997	23.4	24.4	-1.0
1998	5.5	0.4	5.1
1999	12.8	19.0	-6.2
2000	14.2	17.5	-3.3
2001	-4.5	-0.6	-3.9
2002	-28.1	-27.4	-0.7
2003	36.1	42.7	-6.6
2004	16.9	15.5	1.4
2005	9.7	12.1	-2.4
2006	10.9	10.6	0.3
2007	17.0	11.4	5.6
2008 (3 months)	-14.1	-10.9	-3.2
Trailing 1-Year	-2.6%	-4.6%	2.0
Trailing 3-Year	7.1	7.8	-0.7
Trailing 5-Year	14.6	15.2	-0.6
Trailing 10-Year	4.8	6.4	-1.6
Since Inception (11/30/87)	13.5	12.3	1.2

*Relative to J.P. Morgan's Performance Benchmark.

**RETURN SUMMARY
ENDING 3/31/08**

	First Quarter		1 Year Ending 3/31/08		3 Years Ending 3/31/08		5 Years Ending 3/31/08	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Ariel Appreciation Fund	-9.2%	34	-12.2%	84	1.6%	93	10.2%	80
Russell 2500 Index	-9.4	37	-11.3	81	6.0	48	15.7	19

Investment Strategy

The Ariel Appreciation Fund seeks long-term capital appreciation, income is not an objective. Management invests in small- and mid-cap U.S. companies that meet environmentally responsible standards. By prospectus, the Fund may not purchase companies involved in the manufacturing of weapons, nuclear energy, or tobacco related products.

Management seeks stocks that are industry leaders or that occupy an industry niche and are selling at a discount to growth-rate projections. Although the Fund is relatively concentrated, management has generally avoided large stakes in growth industries such as technology and health care.

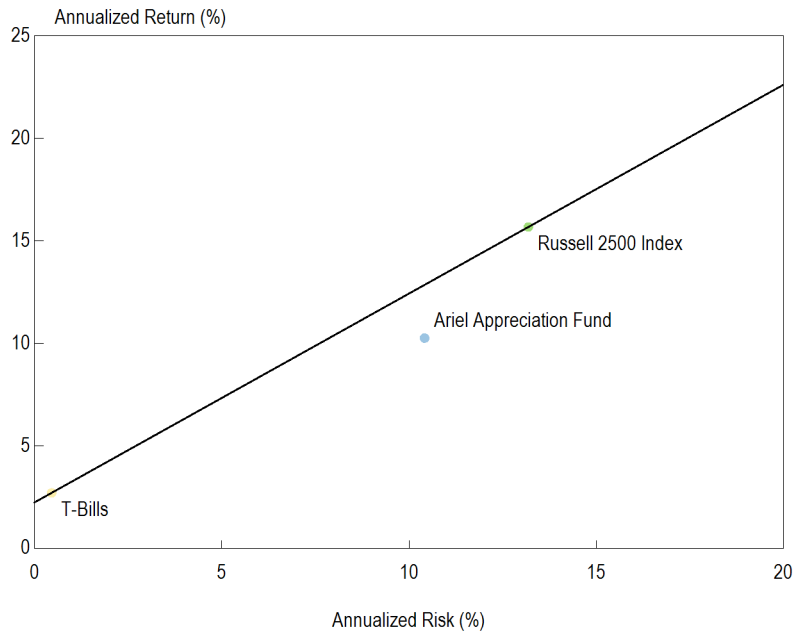
Performance Commentary

Ariel Appreciation Fund's return of -9.2% modestly outperformed the return of the Russell 2500 Index by 20 basis points during the first quarter. The Fund's unfavorable performance was attributed to significant overweight allocations to poor performing sectors, particularly the financial services and consumer discretionary sectors. Specific holdings that hindered results during the quarter were Janus Capital Group (-29.2%) and Constellation Brands (-25.3%). Commodities' strong performance also detracted from the Fund's returns as the Fund did not hold key stocks that rallied in this environment. Adding to relative value was holding Jones Lang LaSalle (+8.7%), a real estate service provider. Also, contributing to the Fund's performance was the addition of Tiffany & Company stock, which was purchased in mid-January and gained 13.6% for the quarter.

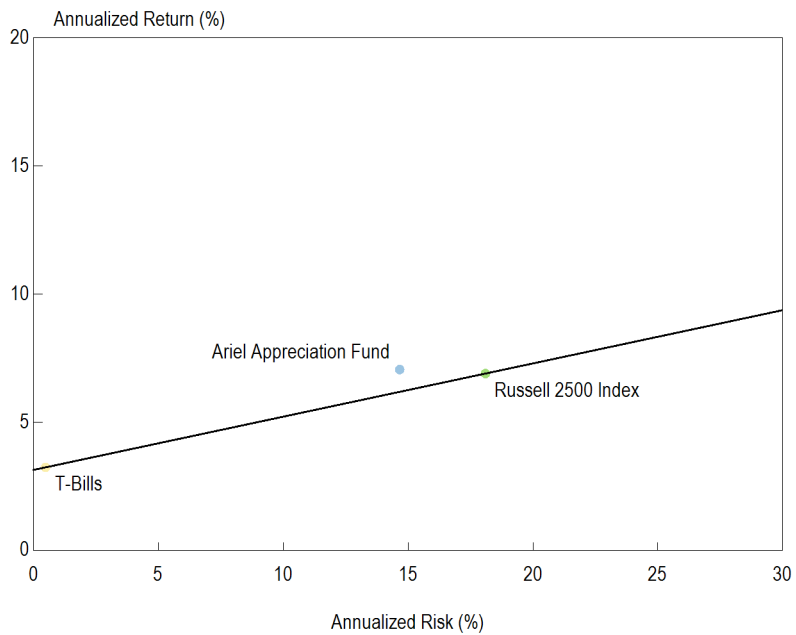
The Fund has trailed the Russell 2500 Index for all long-term periods shown above, but has earned a strong absolute return of 10.2% over the five-year period.

ARIEL APPRECIATION

ANNUALIZED RISK RETURN 5 YEARS ENDING 3/31/08



ANNUALIZED RISK RETURN 10 YEARS ENDING 3/31/08



FUND CHARACTERISTICS AS OF 3/31/08

	Ariel Appreciation Fund	
Style Characteristics	Value	
Capitalization Focus	Small to Medium	
Level of Diversification	Somewhat Concentrated	
Market Risk (Beta)*	0.62	
Composition	U.S. Stocks	99.7%
	Cash	0.3
Number of Issues	34	
Turnover	30%	
Inception Date	December 1989	
Total Fund Assets	\$1.8 billion	
Fees	1.12%	

**HISTORICAL RETURNS
(BY YEAR)**

	Ariel Appreciation Fund	Russell 2500 Index	Return Difference
	Return	Return	
1996	23.7%	19.0%	4.7
1997	37.9	24.4	13.5
1998	19.5	0.4	19.1
1999	-3.8	24.1	-27.9
2000	18.8	4.3	14.5
2001	16.2	1.2	15.0
2002	-10.4	-17.8	7.4
2003	31.0	45.5	-14.5
2004	13.1	18.3	-5.2
2005	2.9	8.1	-5.2
2006	10.9	16.2	-5.3
2007	-1.4	1.4	-2.8
2008 (3 months)	-9.2	-9.4	0.2
Trailing 1-Year	-12.2%	-11.3%	-0.9
Trailing 3-Year	1.6	6.0	-4.4
Trailing 5-Year	10.2	15.7	-5.5
Trailing 10-Year	7.0	6.9	0.1
Since Inception (12/31/89)	11.0	11.3	-0.3

*Relative to the Russell 2500 Index.

VANGUARD SMALL CAP INDEX

RETURN SUMMARY ENDING 3/31/08

	First Quarter		1 Year Ending 3/31/08		3 Years Ending 3/31/08		5 Years Ending 3/31/08	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Vanguard Small Cap Index Fund	-9.1%	32	-11.1%	81	5.9%	48	15.9%	17
Small-Cap Index	-9.2	34	-11.3	81	5.9	49	16.2	16

Investment Strategy

The Vanguard Small Cap Index Fund's strategy is designed to track the investment performance of the MSCI US 1750 Small Cap Index, which is comprised of the 1,750 smallest stocks out of the 2,500 largest stocks. Prior to May 17, 2003, the Fund replicated the Russell 2000 Index. Prior to June 30, 2003, the fund used a sampling technique to track the Russell 2000 Index.

Performance Commentary

The Fund approximated the return of its benchmark during the first quarter of 2008. Slight tracking error existed over the longer-term periods shown above.

The Fund was moved from Admiral shares to the new Signal share class on 10/6/2007.

An explanation of the Performance Benchmark can be found in the Appendix.

VANGUARD SMALL CAP INDEX

FUND CHARACTERISTICS AS OF 3/31/08

	Vanguard Small Cap Index Fund	
Style Characteristics	Core	
Capitalization Focus	Small	
Level of Diversification	Diversified	
Market Risk (Beta)*	0.99	
Composition	U.S. Stocks	99.0%
	Non-U.S. Stocks	1.0
	Cash	0.0
Number of Issues	1,727	
Turnover	18%	
Inception Date	October 1960	
Total Fund Assets	\$13.6 billion	
Fees	0.13%	

HISTORICAL RETURNS

(BY YEAR)

	Vanguard Small Cap Index Fund	Small-Cap Index	Return Difference
	Return	Return	
1996	18.1%	16.5%	1.6
1997	24.6	22.4	2.2
1998	-2.6	-2.5	-0.1
1999	23.1	21.3	1.8
2000	-2.7	-3.0	0.3
2001	3.1	2.5	0.6
2002	-20.0	-20.5	0.5
2003	45.6	47.5	-1.9
2004	19.9	20.0	-0.1
2005	7.4	7.5	-0.1
2006	15.8	15.8	0.0
2007	1.2	1.2	0.0
2008 (3 months)	-9.1	-9.2	0.1
Trailing 1-Year	-11.1%	-11.3%	0.2
Trailing 3-Year	5.9	5.9	0.0
Trailing 5-Year	15.9	16.2	-0.3
Trailing 10-Year	5.7	5.6	0.1
Since Inception (5/31/94)	9.9	9.5	0.4

*Relative to the Vanguard Small Cap Index Performance Benchmark

LORD ABBETT DEVELOPING GROWTH

RETURN SUMMARY ENDING 3/31/08

	First Quarter		1 Year Ending 3/31/08		3 Years Ending 3/31/08		5 Years Ending 3/31/08	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Lord Abnett Developing Growth Fund	-21.8 %	99	1.5 %	14	12.4 %	5	15.4 %	21
Russell 2000 Growth Index	-12.8	81	-8.9	68	5.7	53	14.2	32

Investment Approach

Management of the Lord Abnett Developing Growth Fund employs a process of fundamental research to identify small cap companies that are entering a period of dramatic growth. Management begins by combining growth, balance sheet, and financial statement factors to identify a promising universe of approximately 400 stocks. Portfolio managers and analysts then undertake fundamental and industry research, including company, customer and supplier visits, to select businesses with growth and earnings prospects. However, management sets valuation limits on purchase candidates, preferring to buy stocks at low valuations and then hold them throughout several growth stages.

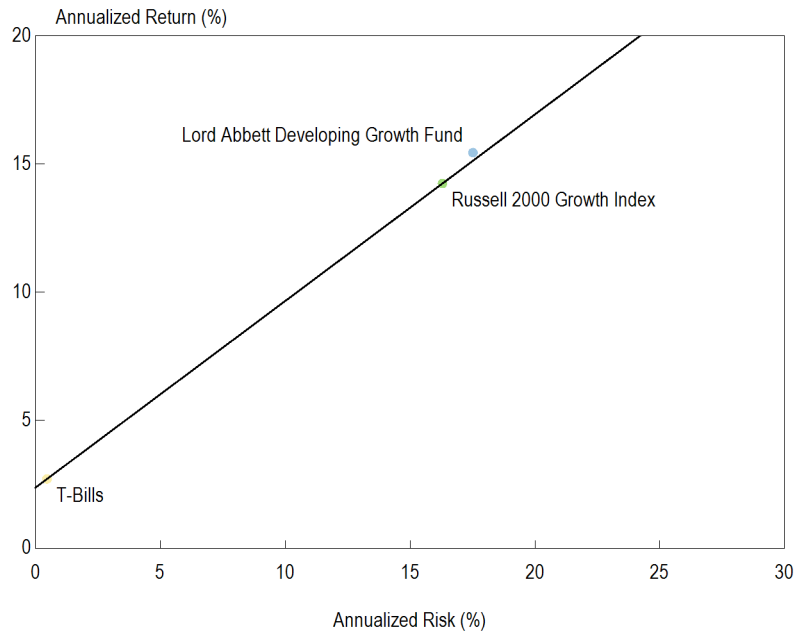
The Fund tends to feature sector diversification, albeit with substantial exposure to growth industries. The portfolio holds approximately 119 micro- and small-cap stocks.

Performance Commentary

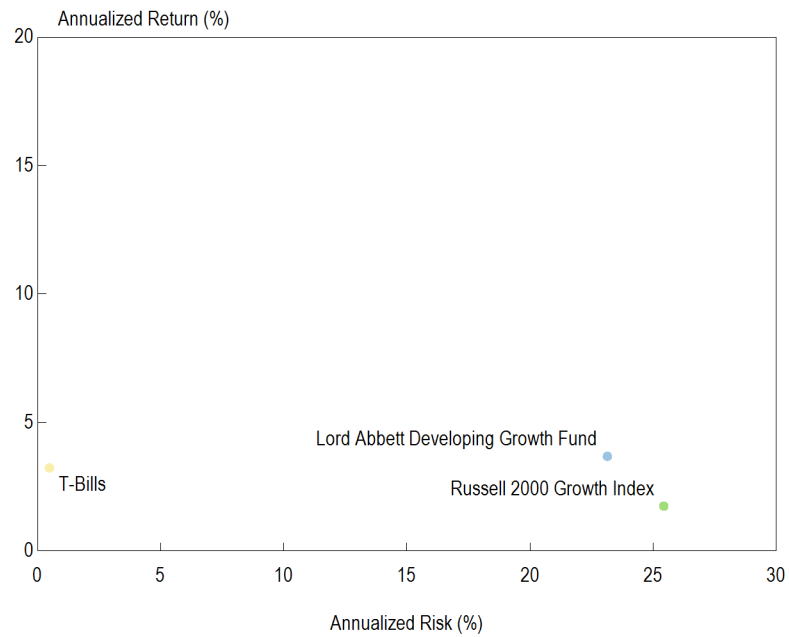
Lord Abnett produced a 21.8% loss during the quarter and lagged the Russell 2000 Growth Index by 9.0 percentage points. The manager noted that stock selection within the technology sector proved to be the largest detractor from performance. In particular, holdings in Aruba Networks (-65%) and Tessera Technologies (-50%) hindered results. Stock selection within the financial services and health care sectors also demonstrated to be unfavorable. Adding value to the Fund was stock selection within the utilities sector, specifically holdings in Alpha Natural Resources (+33.7%) and Illumina (+28.1%).

Although Lord Abnett performed poorly this quarter, its trailing one-year return significantly outperformed the return of its benchmark. This is attributed to the Fund's strong performance during the second, third, and fourth quarters of 2007. The Fund has also outperformed its benchmark during the trailing three- and five-year periods.

ANNUALIZED RISK RETURN 5 YEARS ENDING 3/31/08



ANNUALIZED RISK RETURN 10 YEARS ENDING 3/31/08



LORD ABBETT DEVELOPING GROWTH

FUND CHARACTERISTICS AS OF 3/31/08

	Lord Abbett Developing Growth Fund	
Style Characteristics	Growth	
Capitalization Focus	Small	
Level of Diversification	Diversified	
Market Risk (Beta)*	0.88	
Composition	U.S. Stocks	95.9%
	Non-U.S. Stocks	2.4
	Cash	1.7
Number of Issues	135	
Turnover	63%	
Inception Date	October 1973	
Total Fund Assets	\$1.3 billion	
Fees	1.19%	

HISTORICAL RETURNS

(BY YEAR)

	Lord Abbett Developing Growth Fund	Russell 2000 Growth Index	Return Difference
	Return	Return	
1996	22.2%	11.3%	10.9
1997	30.8	12.9	17.9
1998	8.3	1.2	7.1
1999	38.2	43.1	-4.9
2000	-17.7	-22.4	4.7
2001	-7.0	-9.2	2.2
2002	-29.5	-30.3	0.8
2003	40.1	48.5	-8.4
2004	6.0	14.3	-8.3
2005	11.9	4.1	7.8
2006	12.4	13.3	-0.9
2007	35.8	7.0	28.8
2008 (3 months)	-21.8	-12.8	-9.0
Trailing 1-Year	1.5%	-8.9%	10.4
Trailing 3-Year	12.4	5.7	6.7
Trailing 5-Year	15.4	14.2	1.2
Trailing 10-Year	3.7	1.7	2.0
Since Inception (11/30/73)	10.7	--	--

*Relative to the Russell 2000 Growth Index

**RETURN SUMMARY
ENDING 3/31/08**

	First Quarter		1 Year Ending 3/31/08		3 Years Ending 3/31/08		5 Years Ending 3/31/08	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Heartland Value Fund	-9.7%	45	-15.3%	92	5.5%	57	17.1%	12
Russell 2000 Value Index	-6.5	11	-16.9	94	4.3	75	15.4	21

Investment Approach

The Heartland Value Fund seeks long-term capital appreciation through investments in small or micro cap securities selected under disciplined, value-oriented criteria. Management seeks companies whose stock prices do not reflect what Heartland believes to be the companies' intrinsic or potential values. A company's stock may be undervalued because it is under-followed by Wall Street analysts, misunderstood by investors, temporarily oversold or out-of-favor as a result of investor overreaction to unexpected news or an emerging, undiscovered opportunity.

Heartland builds portfolios based on a bottom-up fundamental analysis of individual securities while avoiding over-concentration in a particular industry or industries. Heartland begins its search for investment ideas by performing a weekly computer screening of a universe of over 10,000 securities. The database is screened to find securities that have a market capitalization of \$750 million or less. The firm's analysts, using 10 value-based criteria referred to at Heartland as the "10 Point Grid", extensively research each security considered for purchase.

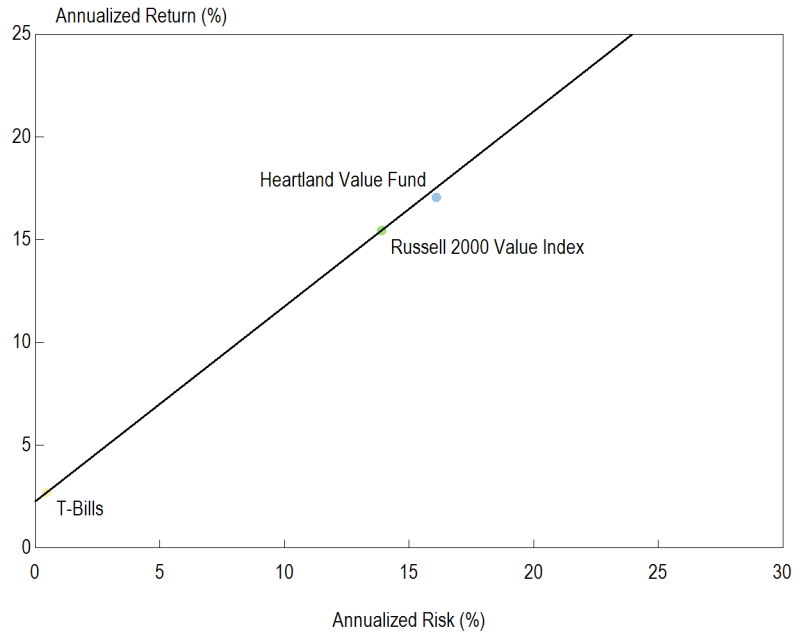
Performance Commentary

The Heartland Value Fund registered a loss of 9.7% during the first quarter, underperforming the Russell 2000 Value Index by 3.2 percentage points. The Fund's significant overweight allocation to the industrials sector compared to the Index hindered results, as this demonstrated to be the largest detractor from performance for the quarter. Additionally, the Fund's poor stock selection and overweight allocation in the health care sector further penalized performance. Stock selection in the energy sector aided the Fund's performance, as it was the only sector that contributed positively to the Fund's return during the quarter.

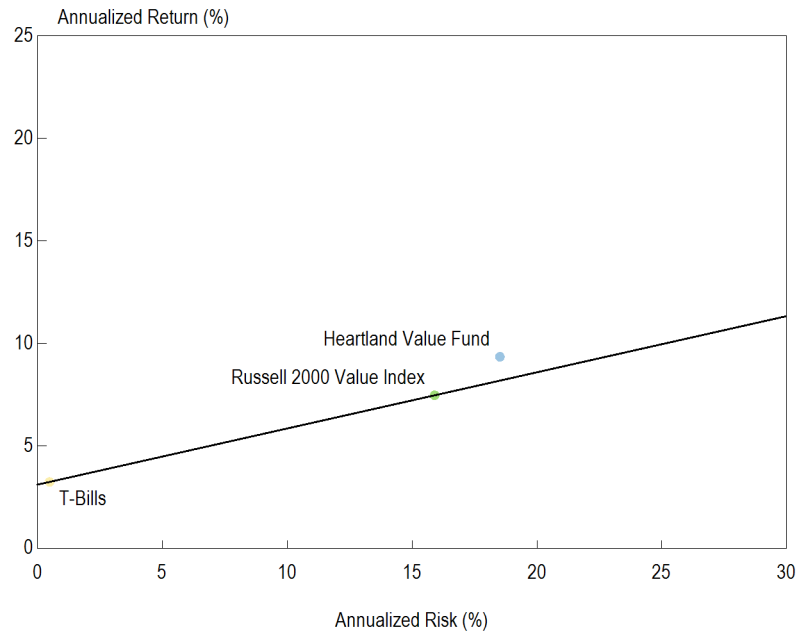
Longer-term performance is favorable, as the Fund's returns have exceeded that of the Index in all long-term periods shown above.

HEARTLAND VALUE

ANNUALIZED RISK RETURN 5 YEARS ENDING 3/31/08



ANNUALIZED RISK RETURN 10 YEARS ENDING 3/31/08



FUND CHARACTERISTICS AS OF 3/31/08

	Heartland Value Fund	
Style Characteristics	Value	
Capitalization Focus	Micro to Small	
Level of Diversification	Diversified	
Market Risk (Beta)*	0.98	
Composition	U.S. Stocks	80.9%
	Non-U.S. Stocks	13.3
	Cash	4.8
	Other	1.0
Number of Issues	185	
Turnover	53%	
Inception Date	December 1984	
Total Fund Assets	\$1.5 billion	
Fees	1.12%	

HISTORICAL RETURNS

(BY YEAR)

	Heartland Value Fund	Russell 2000 Value Index	Return Difference
	Return	Return	
1996	21.0%	21.4%	-0.4
1997	23.2	31.8	-8.6
1998	-11.5	-6.4	-5.1
1999	25.0	-1.5	26.5
2000	2.0	22.8	-20.8
2001	29.5	14.0	15.5
2002	-11.5	-11.4	-0.1
2003	70.2	46.0	24.2
2004	9.1	22.3	-13.2
2005	2.0	4.7	-2.7
2006	28.0	23.5	4.5
2007	-5.5	-9.8	4.3
2008 (3 months)	-9.7	-6.5	-3.2
Trailing 1-Year	-15.3%	-16.9%	1.6
Trailing 3-Year	5.5	4.3	1.2
Trailing 5-Year	17.1	15.4	1.7
Trailing 10-Year	9.3	7.5	1.8
Since Inception (1/31/85)	13.5	11.8	1.7

*Relative to the Russell 2000 Value Index.

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**RETURN SUMMARY
ENDING 3/31/08**

	First Quarter		1 Year Ending 3/31/08		3 Years Ending 3/31/08		5 Years Ending 3/31/08	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank
EuroPacific Growth Fund	-7.9%	23	6.6%	9	17.6%	16	23.6%	21
MSCI All Country World ex-U.S. Index	-9.1	46	2.2	24	16.0	29	23.5	21

Investment Approach

Capital Research and Management is the sub-advisor for the EuroPacific Growth Fund. Capital Research uses a multiple-counselor system in managing the portfolio's assets. The portfolio is divided into segments and the counselors manage their respective segments autonomously. The research analysts are responsible for making the investment decisions for one of the segments.

The Capital Research and Management Investment Committee is responsible for making sure the portfolio stays within its limits and adheres to its investment policies. The objective of the fund is to provide long-term growth of capital by investing in a diversified portfolio of international stocks while using a growth-at-a-reasonable price strategy.

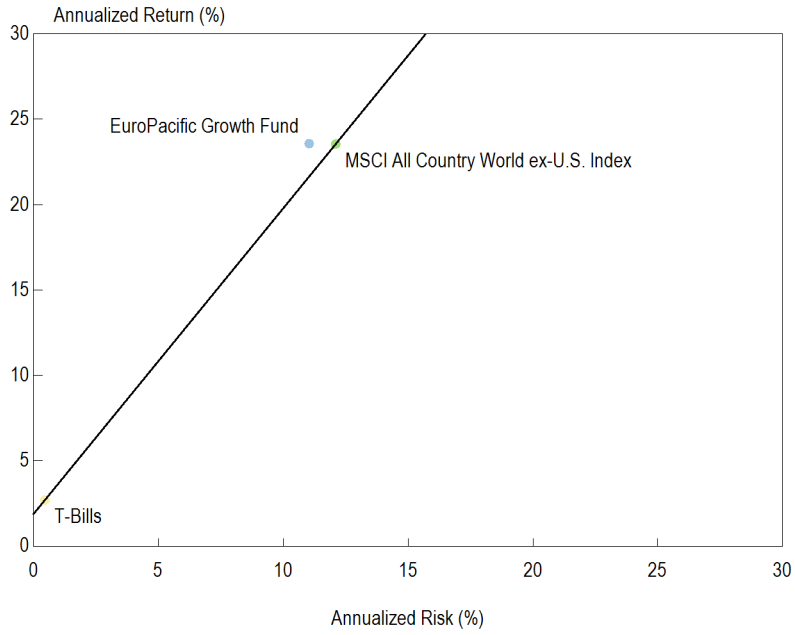
Performance Commentary

While negative in absolute terms, the EuroPacific Growth Fund's return of -7.9% exceeded that of the MSCI All Country World ex-U.S. Index by 120 basis points. The manager's stock selection and overweight allocation to the health care sector contributed significantly to relative performance. In particular, the Fund's pharmaceutical company holdings were helpful. Additionally, the manager's stock selection within the telecommunications and information technology sectors, specifically within semiconductors and diversified telecommunication services, was additive in relative terms. Detracting from performance was stock selection within the energy sector, particularly within oil, gas, and consumable fuels. From a country perspective, the manager's U.S., Swiss, and Chinese holdings enhanced relative results; while, the manager's stock selection within Japan and the United Kingdom proved unfavorable. The Fund held a cash position of 10.8% as of quarter end, which was advantageous as equity markets experienced a difficult quarter.

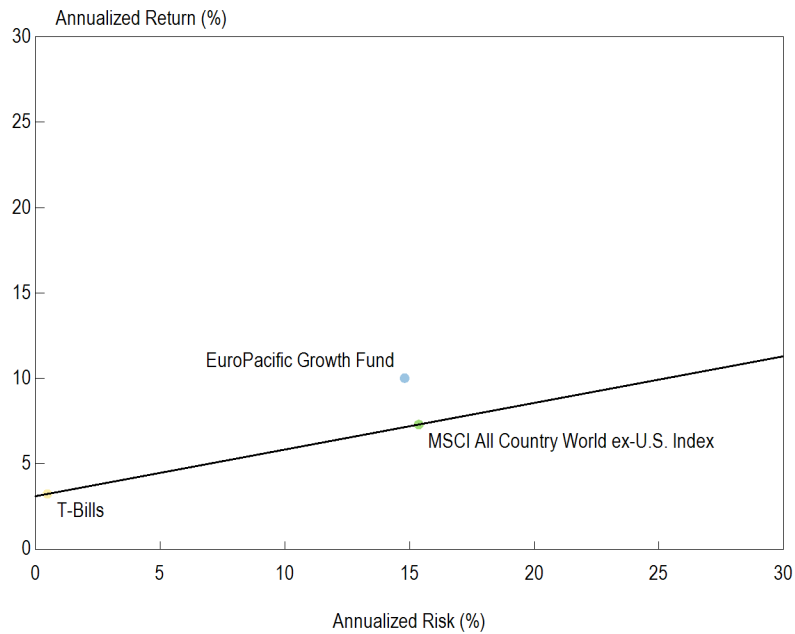
The Fund's longer-term results are favorable, as the Fund's returns have exceeded those of the Index for all periods shown above. On an absolute basis the Fund has earned a strong 23.6% return, annualized over the last five years.

EUROPACIFIC GROWTH

ANNUALIZED RISK RETURN 5 YEARS ENDING 3/31/08



ANNUALIZED RISK RETURN 10 YEARS ENDING 3/31/08



FUND CHARACTERISTICS AS OF 3/31/08

	EuroPacific Growth Fund	
Geographic Breakdown	United States	0.2%
	Asia & Pacific Basin	21.7
	Europe ex-U.K.	47.3
	U.K.	7.0
	Other (Including Canada & Latin America)	13.0
	Cash	10.8
	Composition	
	Non-U.S. Stocks	89.1%
	U.S. Stocks	0.1
	Cash	10.8
Number of Issues	300	
Turnover	38%	
Inception Date	April 1984	
Total Fund Assets	\$114.7 billion	
Fees	0.53%	

HISTORICAL RETURNS

(BY YEAR)

	EuroPacific Growth Fund	MSCI All Country World ex-U.S. Index	Return Difference
	Return	Return	
1996	18.6%	6.4%	12.2
1997	9.2	1.8	7.4
1998	15.5	14.1	1.4
1999	57.0	30.6	26.4
2000	-17.8	-15.3	-2.5
2001	-12.2	-19.7	7.5
2002	-13.4	-14.9	1.5
2003	33.2	40.8	-7.6
2004	20.0	20.9	-0.9
2005	21.4	16.6	4.8
2006	22.2	26.6	-4.4
2007	19.2	16.7	2.5
2008 (3 months)	-7.9	-9.1	1.2
Trailing 1-Year	6.6%	2.2%	4.4
Trailing 3-Year	17.6	16.0	1.6
Trailing 5-Year	23.6	23.5	0.1
Trailing 10-Year	10.0	7.3	2.7
Since Inception (5/31/94)	11.2	7.6	3.6

EUROPACIFIC GROWTH

COUNTRY ALLOCATION/RETURNS 3 MONTHS ENDING 3/31/08

	Manager Allocation	Index Allocation	Index Return
Europe			
Austria	0.9 %	0.4 %	-9.9 %
Belgium	0.5	1.0	-3.1
Czech Republic*	--	0.2	-0.4
Denmark	2.1	0.8	0.0
Finland	1.3	1.4	-10.5
France	9.7	8.1	-8.4
Germany	9.6	6.8	-11.8
Greece	1.2	0.5	-15.8
Hungary*	0.3	0.1	-13.7
Ireland	1.1	0.5	-1.2
Italy	2.0	2.9	-11.7
Netherlands	2.4	2.1	-6.6
Norway	1.1	0.8	-10.5
Poland*	0.2	0.2	-3.9
Portugal	0.2	0.3	-13.2
Russia*	2.6	1.9	-11.5
Spain	3.5	3.3	-5.6
Sweden	1.7	1.8	-3.4
Switzerland	6.8	5.4	-2.1
United Kingdom	7.0	16.0	-10.5
Asia/Pacific			
Australia	1.7 %	4.7 %	-11.7 %
China*	1.0	2.7	-23.7
Hong Kong	1.1	1.6	-18.9
India*	2.9	1.4	-27.0
Indonesia*	0.5	0.3	-6.5
Japan	7.8	14.9	-7.8
Korea*	4.4	2.7	-13.1
Malaysia*	0.1	0.5	-9.3
New Zealand	--	0.1	-14.7
Pakistan*	0.1	0.0	11.2
Philippines*	0.3	0.1	-17.5
Singapore	1.0	0.9	-7.4
Sri Lanka*	--	--	-3.6
Taiwan, China*	3.7	2.3	5.3
Thailand*	0.1	0.3	3.3
Americas			
Argentina*	--	0.1 %	6.9 %
Brazil*	3.3 %	2.8	-5.0
Canada	2.1	6.5	-6.1
Chile*	--	0.3	9.7
Colombia*	--	0.1	-4.4
Mexico*	2.5	1.0	5.1
Peru*	--	0.1	5.3
United States	0.2	--	-9.5
Other			
Egypt*	0.2 %	0.2 %	7.9 %
Israel*	0.5	0.4	-4.8
Jordan*	--	0.0	-1.9
Morocco*	--	0.1	33.8
South Africa*	1.4	1.2	-15.0
Turkey*	0.1	0.2	-38.4
Cash			
Cash	10.8 %	--	--
Total	100.0 %	100.0 %	-9.1 %
Developed	65.0	80.7	
Emerging*	24.2	19.2	
Cash	10.8	--	

VANGUARD TOTAL INTERNATIONAL STOCK INDEX

RETURN SUMMARY ENDING 3/31/08

	First Quarter		1 Year Ending 3/31/08		3 Years Ending 3/31/08		5 Years Ending 3/31/08	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Vanguard Total International Stock Index Fund	-8.9%	42	1.3%	26	15.5%	32	23.2%	24
MSCI All Country World ex-U.S. Index	-9.1	46	2.2	24	16.0	29	23.5	21

Investment Strategy

The Vanguard Total International Stock Index seeks long-term growth of capital by offering exposure to over 1500 companies in more than 30 countries. The Fund invests in three Vanguard Index Funds: Vanguard European Stock Index Fund, Vanguard Pacific Stock Index Fund and Vanguard Emerging Markets Stock Index Fund. Each of these index funds attempts to track the appropriate MSCI Index. The three funds are managed by the Vanguard Quantitative Equity Group. The major difference between the fund and the Index is the fund's lack of exposure to Canada.

Performance Commentary

The Vanguard Total International Stock Index modestly exceeded its benchmark during the first quarter. The outperformance was mostly due to the Fund's lack of exposure to Canada. As of 3/31/08, Canada made up 6.5% of the MSCI All Country World ex-U.S. Index and performed unfavorably. It should be noted that the Fund invests in three underlying Vanguard Index Funds, and therefore does not aim to explicitly track the MSCI All Country World ex-U.S. Index.

VANGUARD TOTAL INTERNATIONAL STOCK INDEX

FUND CHARACTERISTICS AS OF 3/31/08

	Vanguard Total International Stock Index Fund	
Country Allocations	Japan	16.1%
	Pacific ex-Japan	20.5
	U.K.	16.6
	Europe ex-U.K.	39.9
	Latin America	3.9
	U.S. & Canada	0.0
	Other	3.0
Composition	Non-U.S. Stocks	100.0%
	Cash	0.0
Number of Issues	3 mutual funds	
Turnover	N/A	
Inception Date	April 1996	
Total Fund Assets	\$27.1 billion	
Fees	0.27%	

HISTORICAL RETURNS

(BY YEAR)

	Vanguard Total International Stock Index Fund	MSCI All Country World ex-U.S. Index	Return Difference
	Return	Return	
1996 (8 months)	0.7%	0.1%	0.6
1997	-0.8	1.8	-2.6
1998	15.6	14.1	1.5
1999	29.9	30.6	-0.7
2000	-15.6	-15.3	-0.3
2001	-20.2	-19.7	-0.5
2002	-15.1	-14.9	-0.2
2003	40.3	40.8	-0.5
2004	20.8	20.9	-0.1
2005	15.6	16.6	-1.0
2006	26.6	26.6	0.0
2007	15.5	16.7	-1.2
2008 (3 months)	-8.9	-9.1	0.2
Trailing 1-Year	1.3%	2.2%	-0.9
Trailing 3-Year	15.5	16.0	-0.5
Trailing 5-Year	23.2	23.5	-0.3
Trailing 10-Year	7.0	7.3	-0.3
Since Inception (5/31/96)	7.1	7.6	-0.5

RETURNS OF THE MAJOR CAPITAL MARKETS

	First Quarter	Annualized Periods Ending 3/31/08				
		1-Year	3-Year	5-Year	10-Year	15-Year
Domestic Stock Indices:						
DJ Wilshire 5000 Index	-9.5%	-5.8%	6.4%	12.5%	4.0%	9.4%
S&P 500 Index	-9.4	-5.1	5.9	11.3	3.5	9.5
Russell 3000 Index	-9.5	-6.1	6.1	12.1	3.9	9.4
Russell 1000 Value Index	-8.7	-10.0	6.0	13.7	5.5	10.7
Russell 1000 Growth Index	-10.2	-0.8	6.3	10.0	1.3	7.8
Russell MidCap Value Index	-8.6	-14.1	6.6	16.8	8.2	12.0
Russell MidCap Growth Index	-10.9	-4.6	7.8	15.2	5.2	9.4
Russell 2000 Value Index	-6.5	-16.9	4.3	15.4	7.5	11.3
Russell 2000 Growth Index	-12.8	-8.9	5.7	14.2	1.7	6.2
Domestic Bond Indices:						
Lehman Brothers Aggregate Index	2.2%	7.7%	5.5%	4.6%	6.0%	6.3%
Lehman Brothers Govt/Credit Index	2.5	8.4	5.5	4.6	6.1	6.4
Lehman Brothers Long Govt/Credit Index	0.8	6.4	5.1	5.5	6.9	7.6
Lehman Brothers 1-3 Year Govt/Credit Index	2.7	8.2	5.3	3.7	5.1	5.3
Lehman Brothers U.S. MBS Index	2.4	7.8	5.8	4.8	6.0	6.3
Lehman Brothers High Yield Index	-3.0	-3.7	4.9	8.6	4.8	6.9
Lehman Brothers Universal Index	1.7	6.6	5.5	5.0	6.1	6.5
Real Estate Indices:						
NCREIF Property Index	1.6%	13.6%	16.8%	15.1%	12.6%	11.2%
NCREIF ODCE Index	1.1	12.0	15.6	13.9	11.7	10.3
DJ Wilshire Real Estate Securities Index	2.1	-18.9	11.6	18.9	11.1	11.6
FTSE NAREIT US Real Estate Index	1.4	-17.4	11.7	18.3	10.7	11.7
Foreign/Global Stock Indices:						
MSCI All Country World Index	-9.3%	-1.2%	11.1%	17.2%	5.1%	8.6%
MSCI All Country World ex-U.S. Index	-9.1	2.2	16.0	23.5	7.3	8.7
MSCI EAFE Index	-8.9	-2.7	13.3	21.4	6.2	8.1
MSCI EAFE Index (in local currency)	-15.0	-14.8	8.6	14.6	2.8	6.3
MSCI World ex-U.S.A. Small Cap Index	-6.5	-9.9	11.5	25.5	9.5	7.4
MSCI Emerging Markets Index	-11.0	21.3	29.2	35.5	12.2	10.6
Foreign Bond Indices:						
Citigroup World Gov't Bond Index	10.9%	22.3%	7.4%	9.0%	7.4%	7.1%
Citigroup Hedged World Gov't Bond Index	2.1	6.1	4.9	4.3	5.6	7.0
Cash Equivalents:						
Treasury Bills (30-Day)	0.9%	4.5%	3.8%	2.7%	3.2%	3.6%
EnnisKnupp STIF Index	0.9	5.0	4.6	3.3	4.0	4.3
Inflation Index:						
Consumer Price Index	1.7%	4.0%	3.4%	3.0%	2.8%	2.7%

APPENDIX II

Benchmark Descriptions

iMoney Net Money Fund Average - An index made up of the entire universe of taxable money market mutual funds. The index currently represents 1,228 funds, or approximately 99 percent of all money fund assets.

Custom Benchmark (Personal Strategy Balanced) - A mix of 51% DJ Wilshire 5000 Stock Index, 30% Lehman Brothers Aggregate Bond Index, 10% 90-Day Treasury Bills, and 9% MSCI EAFE Index.

Custom Benchmark (Personal Strategy Growth) - A mix of 65% DJ Wilshire 5000 Stock Index, 20% Lehman Brothers Aggregate Bond Index and 12% MSCI EAFE Index.

Custom Benchmark (Personal Strategy Income) - A mix of 34% DJ Wilshire 5000 Stock Index, 40% Lehman Brothers Aggregate Bond Index, 20% 90-Day Treasury Bills, and 6% MSCI EAFE Index.

Performance Benchmark (Vanguard Total Stock Market Index) - DJ Wilshire 5000 until 4/30/2005, the MSCI U.S. Broad Market Index going forward.

Performance Benchmark (Vanguard Small Cap Index) - Russell 2000 Index until 6/30/2003, the MSCI U.S. 1750 Small Cap Index going forward.

EnnisKnupp GIC Index - This benchmark index is an average of the 2-, 3-, 4- and 5-year GICs as surveyed by T.Rowe Price.

Lehman Brothers Aggregate Bond Index - A market value-weighted index consisting of government bonds, SEC-registered corporate bonds and mortgage-related and asset-backed securities with at least one year to maturity and an outstanding par value of \$150 million or greater. This index is a broad measure of the performance of the investment grade U.S. fixed income market.

Lehman Brothers Corporate Bond Index - A market value-weighted index consisting of government bonds and SEC-registered corporate bonds with at least one year to maturity and an outstanding par value of \$150 million or greater.

MSCI All Country World Ex-U.S. Free Index - A capitalization-weighted index of stocks representing 48 developed and emerging country stock markets, excluding the U.S. market.

MSCI U.S. 1750 Small Cap Index - An index representing the universe of small capitalization companies in the U.S. equity market. This index targets for inclusion 1,750 companies and represents approximately 12% of the capitalization of the U.S. equity market.

Performance Benchmark (J.P. Morgan Capital Growth) - Currently the Russell Mid Cap Growth Index. Prior to January 1, 2002, the benchmark was the S&P 400 Midcap Index effective June 30, 1999, and the Russell 2500 Index prior to that.

60/40 Benchmark - A mix of 60% DJ Wilshire 5000 Stock Index and 40% Lehman Brothers Aggregate Bond Index.

Benchmark Descriptions

S&P Midcap 400 Stock Index - A capitalization-weighted index representing stocks chosen by Standard & Poor's, Inc. for their size, liquidity, stability and industry group representation. None of the stocks included overlap with those in the S&P 500 or the S&P SmallCap 600. Some stocks included in the Index are larger than those in the S&P 500 and some are smaller than those in the S&P Small Cap 600.

S&P 500 Stock Index - A capitalization-weighted index representing stocks chosen by Standard & Poor's, Inc. for their size, liquidity, stability and industry group representation. The companies in the S&P 500 Index are generally among the largest in their industries. Currently the Index comprises industrial, utility, financial and transportation stocks.

Russell 1000 Index - A capitalization-weighted index of the 1,000 largest publicly traded U.S. stocks by capitalization.

Russell 1000 Value Index - An Index that measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower I/B/E/S growth forecasts.

Russell 1000 Growth Index - An Index that measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher I/B/E/S growth forecasts.

Russell 2500 Index - A capitalization-weighted, small-cap stock index representing the performance of 2,500 domestic stocks. This Index represents approximately 22% of the domestic market. Its median market capitalization is approximately \$786 million.

Russell 2000 Stock Index - A capitalization-weighted index of the smallest 2,000 stocks in the Russell 3000 Index. The Index excludes the largest- and smallest-capitalization issues in the domestic stock market.

Russell 2000 Value Stock Index - A capitalization-weighted index representing those companies within the Russell 2000 Index with lower price-to-book ratios and lower I/B/E/S earnings growth forecasts.

Russell 2000 Growth Stock Index - A capitalization-weighted index representing those companies within the Russell 2000 Index with higher price-to-book ratios and higher I/B/E/S earnings growth forecasts.

DJ Wilshire 5000 Stock Index - A capitalization-weighted stock index representing all domestic common stocks traded regularly on the organized exchanges. The Index is the broadest measure of the aggregate domestic stock market.

APPENDIX II

Rank Descriptions

U.S. Equity Ranks - A broad Morningstar universe of 2,387 U.S. stock mutual funds.

Fixed Income Ranks - A broad Morningstar universe of 703 fixed income mutual funds.

Non-U.S. Equity Ranks* - A non-U.S. equity universe calculated by Mellon Analytical Solutions. The universe includes 78 non-U.S. stock managers with an aggregate market value of \$306.8 billion.

*Data as of 12/31/07